JAPAN

EFFORTS OF THE UNITED STATES IN BEHALF OF A PEACE TREATY AND SECURITY AGREEMENT WITH JAPAN; OCCUPATION AND CONTROL OF JAPAN

TOP SECRET

Memorandum of Conversation, by the Ambassador at Large (Jessup)

Tokyo, January 9, 1950.

Mr. Sebald and I called on General MacArthur at his office in the Dai Ichi Building at 6:00 p.m. yesterday afternoon and had a two hours’ conversation with him. I told him that, if he had no objection, I should like to have a talk with him on a purely personal basis. I reminded him that the Secretary was always careful to take up matters officially only through the regular channels and that I was not authorized to consult General MacArthur officially on the general problems of Asia and the Far East but would welcome the opportunity on a reciprocally personal basis to get his views on a variety of questions. The General said that he would be glad to talk on this personal and informal basis, it being understood that his command did not extend outside of Japan and the islands and definitely did not include China and Formosa. He went on to say that it had been a terrific mistake in his opinion to separate the commands at the close of the war when the areas were divided between his command and Navy authority. It would have been much sounder had a unified command remained for the whole Far Eastern-Pacific area.

[Here follows a discussion of General MacArthur's views on Japan before World War II, the Chinese civil war, and postwar Russian policy in Asia.]

I then said that following the lines which he had sketched I personally felt that one of the ways in which we could meet the communist
menace in Asia was by the conclusion of the Japanese Peace Treaty, which would prove that we were not imperialist but were ready to satisfy the legitimate desires of the people. General MacArthur immediately stated his emphatic and enthusiastic agreement with this proposition. He said that it was he who had signed the surrender instrument on the Missouri and that he knew the terms and meaning of that document. While the Japanese had made promises, they had fulfilled those promises to the letter; we had also made promises and we were committed absolutely to giving them their freedom now that they had accomplished the essential purposes laid down in the surrender documents and Potsdam Agreement. Nothing could so dramatize in the eyes of the world our intentions as the conclusion of the Peace Treaty. If we proceeded to a peace conference all of the attention of the East would be focused on this issue and so would the attention of the press of the world. This was one way in which we could accomplish the enormously important result of getting the initiative back from the Russians. He felt personally that it would be much the best plan to hold the peace conference in Tokyo. He said that the historic practice of arranging a peace treaty in the capital of the defeated power was not merely a show by the victor but as in this case had the essential purpose of getting the acquiescence of the defeated country in the terms of the peace. If the Peace Treaty were dictated in Washington remote from Asia, the Japanese would feel that any provisions of the treaty that they did not like had been imposed upon them from far away, and they would resent and continue to oppose the implementation of these provisions. On the other hand, if the agreement were reached in Tokyo they would feel that they had a part in it and would accept the terms. Tokyo represents an essentially neutral ground being as close to the Soviet Union as to the United States. This led him to a consideration of the future status of Japan and the possibilities of its long-term neutralization. He said the Russians were just as much convinced that we had nefarious ulterior purposes as we knew they had. Many people in the United States and elsewhere also thought that we intended to build up Japan as a weapon to use against the Russians. The Japanese on the one hand realize and we should realize that in any war regardless of what happened their islands would be destroyed. Modern war no longer was a suitable means of settling international questions because of the total character of the involvement and destruction. 

5 For text of the Instrument of surrender, signed aboard U.S.S. Missouri in Tokyo Bay on September 2, 1945, see Department of State, Executive Agreement Series No. 493, or 59 Stat. (pt. 2) 1738.

could, however, be a neutral spot to the advantage of the United States and of the Soviet Union as well. We should be able to convince the Russians that here at least their interests and ours were parallel. He felt sure that if a man like Jacob Malik 7 represented the Soviet Union in such discussions that he would appreciate this view and could be convinced. He believed this was true of other Russians as well. He saw no reason why the Russians should not agree to the security provisions which we desire for the Peace Treaty. In any case he thought we should proceed actively to negotiate the treaty if necessary ending up with a treaty to which the Soviet Union and China would not be parties. I then mentioned the recent expression of the views of the Joint Chiefs of Staff with which he was familiar and said that Mr. Sebald had with him certain recent documents received from the State Department with which I was not sure the General was familiar but which Mr. Sebald would be glad to read to him if he wished. General MacArthur replied first that the Joint Chiefs did not at all understand the problem here. He said that General Bradley 8 had never been in this part of the world and had all his experience and made his reputation in the European Theatre and looked forward to being the Comander in the European Theatre in case there were another war. General Vandenberg 9 had been a cadet at the Academy when MacArthur was Superintendent and stood at the bottom of his class. He would not have graduated except for MacArthur’s intervention. He was an extremely able air operations officer but had absolutely no general, broad knowledge of problems outside of his particular jurisdiction. Admiral Forrest Sherman 10 is the one man in the group who knows the Pacific and the Far East and who is a man of the very first quality in all fields. He would be distinguished as a statesman or in any other capacity just as he is as a Naval officer. General MacArthur feels sure the decision of the Joint Chiefs could not represent his thinking. General Collins 11 has seen some service in Guadalcanal and had some familiarity with problems here but did not know them thoroughly. General MacArthur made it quite clear that he considered that Bradley was expressing the view of Secretary Johnson 12 and hinted rather broadly that this was a civilian rather than a military point of view which was expressed by the Joint Chiefs. Mr. Sebald then inquired whether the General had actually seen the

7 Yakov A. Malik, Soviet Deputy Foreign Minister and Soviet Permanent Representative to the United Nations.
8 Gen. Omar N. Bradley, Chairman of the Joint Chiefs of Staff.
9 Gen. Hoyt S. Vandenberg, Chief of Staff of the United States Air Force.
10 Chief of Naval Operations.
11 Gen. J. Lawton Collins, Chief of Staff of the United States Army.
12 Secretary of Defense Louis A. Johnson.
statement which the Joint Chiefs had made about our security requirements under a Japanese Peace Treaty. When the General said that he had not seen these but was familiar with the conclusion, Mr. Sebald read them to him. In regard to the first four points, the General interposed comments to the effect that these were correct and could be secured. He said the Japanese would have no objection and he did not think the Russians would object. Particularly with regard to the Ryukyus including Okinawa, he said the Russians could be countered by their claims to the Kurils and Sakhalin and would be unable to object to our proposals. (He had previously stated his estimate of our needs here in terms of bases including the naval base at Yokosuka and three air bases—General Stratmeyer had mentioned to me five. In connection with each one of the air bases, the General said we would need merely a battalion of ground troops and an anti-aircraft battalion at each base and that at the naval base we would station the Commanding General with one regiment. This would represent a total complement with the Air Force of about 30,000 men.) In regard to the JCS view about the participation of the Soviet Union and China and their conclusion that under present circumstances this could not be obtained and therefore the negotiation of a peace treaty was premature, the General stated quite explicitly his view that this was not a decision which should be left to the JCS, but that in any event, the JCS expected to be overruled. He repeated what he had said about their lack of familiarity with the problems and mentioned that his views had never been solicited. He said the JCS certainly did not express the views of SCAP. He went on to refer to the recent recommendation of the JCS for a mis-

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\[13\] Apparently a reference to a memorandum of December 22, 1949, from the JCS to Mr. Johnson. Text forms the enclosure to a letter from Mr. Johnson to Secretary of State Dean Acheson, December 23, Foreign Relations, 1949, vol. vii, Part 2, p. 922. On December 27, the JCS memorandum was circulated as NSC 60.

\[14\] In a letter of December 9, 1949, to W. Walton Butterworth, Assistant Secretary of State for Far Eastern Affairs, Mr. Sebald had reported on his conversation that day with General MacArthur. He had stated in part:

"With respect to the security provisions of the treaty draft, General MacArthur said that he gave his views to Mr. Voorhees along the following lines: It is essential that Japan have security. He is first and foremost in favor of neutralization by all the Powers concerned, somewhat along the lines of the Monroe Doctrine. If, however, it is felt that a neutralization compact does not accord real security for Japan, then he would propose the granting of a limited number of bases in Japan to the United States, with a total force not exceeding, say, 35,000 men. The bases which he specifically recommended are Yokosuka (as a naval base), and three- or four bases located, respectively, in the north, center, and south. Even this grant on the part of Japan, however, must be voluntary and subject to cancellation upon notice by the Japanese. Troops maintained in Japan should be entirely self-supporting and would have no right of interference with the prerogatives of the Japanese Government. In any event, the granting of bases should be for a limited period." (740.0011 PW (Peace)/12-2349)

Tracy S. Voorhees was Under Secretary of the Army and deputy to the Secretary of Defense for policy matters affecting occupied areas.
sion to Formosa to look into the situation and make reports. He said that he had been advised in advance concerning this recommendation by the Chief of Staff and had made all of his arrangements. He regarded the matter as so important that he could not delegate such a mission to anyone else and he had intended to go personally and make the examination and then would have discussed it with his own staff. This recommendation had been overruled. If the JCS could be overruled on that point, there was no reason why they could not be overruled on the question of the negotiation of the Peace Treaty. Again being careful to indicate that he was speaking personally and did not propose to mix into matters which were not his affair, the General said that he thought the Secretary should take the matter up with the President and ask for definite authority to proceed with the negotiation of the Treaty, the terms and procedures to be left to his discretion. He remarked that he had tried to get the Secretary to make a trip to Japan when he had first taken office, but unfortunately it had not been possible to arrange this. He felt that, if the Secretary could have come at that time, it would have been enormously helpful. It was evident to me that he felt that he and the Secretary viewed matters in very much the same way and that the difficulty existed between SCAP and the Department of Defense. Tying in this discussion with his previous remarks, I told him that the Far Eastern Consultants had included the conclusion of the Japanese Peace Treaty among the urgent items and that we had emphasized the need for dramatic steps which would capture the imagination. General MacArthur expressed full agreement with this and repeated his view that the negotiation of the Peace Treaty would be the most significant step which could be taken. The Russians are making considerable progress in their propaganda that it is the United States which is holding up the Treaty. We ought to press the negotiation and make it perfectly plain that it is the Russians and not we who would be holding up the Treaty. To illustrate this point, he recalled the banquet scene in "A Yankee at the Court of King Arthur" when the Yankee had described how he had told one of his choice stories without evoking a single smile. After he had told it for the 50th time, he noted that one man way down at the end of the table had smiled and the last time he told it that night, for the 500th time, he had them rolling under the table with laughter. The General said that this was the technique we should use in telling the people over and over again that we wanted a peace treaty with Japan and the Russians were blocking it. In regard to future developments concerning negotiation of the Treaty, I said that I had no information but that I personally felt sure that the matter should not be considered dead. I noted that the statement of the Joint Chiefs transmitted by the

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Secretary of Defense to the Secretary of State had made it impossible for the Department to communicate to the British Commonwealth countries our views about the Treaty prior to their Ceylon Conference. I said it seemed to me likely that the British Commonwealth countries would discuss this matter and probably make some report to us concerning their views. The General thought the British were extremely anxious to have the Treaty in order to promote their commercial interests and thought it would be a great mistake to allow them to seem to have the initiative and to be prodding us into the negotiation of the Treaty rather than have us to take the lead. He indicated that if the State Department pressed ahead for a peace conference they would have the support of SCAP although he did not intimate that he wished to be called upon to express his views. In fact, as we concluded the conversation, he repeated that he expressed his opinion very freely and informally because they had been asked for; he did not wish to intrude his views and certainly did not wish to suggest that he felt he had any right to make decisions. He said when decisions were made by the Secretary of State they became the decisions of the United States and he would loyally carry them out. He stressed particularly his hope that what he had said to me in this personal and informal way would be guarded against the possibility of use to draw him into any controversies in Washington. He referred indirectly to his previous unfortunate experiences along this line. I assured him that I understood his position and would fully respect his wishes in the matter. (I think it is clear that none of the statements which he made should be allowed to get any wide circulation which might result in any leak to the press.)

PHILIP C. JESSUP

694.001/1-1050

The Ambassador at Large (Jessup) to the Secretary of State

TOP SECRET

PERSONAL

[TOKYO,] January 10, 1950.

DEAR DEAN: This is a brief personal note to you to mention the most interesting point which has come up in the course of the three conversations I have had with General MacArthur. I have sent full memoranda of the conversations personally to Walt Butterworth.¹

Sebald and I spent about two hours with the General Sunday evening and discussed on a purely informal and personal basis some of the general problems of the Far East and particularly the question of the negotiation of the Japanese Peace Treaty. We both prefaced and

¹ Mr. Jessup enclosed memoranda of his conversations held with General MacArthur January 5, 8, and 10 with his letter of January 10 to Mr. Butterworth. (694.001/1-1050) None printed, except the memorandum, supra.
added to our remarks by stressing the fact that on neither side were we speaking officially but purely on the basis of a personal exchange of views. General MacArthur is quite outraged by the views of the Joint Chiefs of Staff in regard to the postponement of arrangements for negotiating the Japanese Peace Treaty. He spoke very strongly on this subject and feels that the view does not really reflect a military judgment but that General Bradley is merely speaking for Secretary Johnson. Again with appropriate caveats about his desire to avoid intruding or giving any implication of attempting to dictate or influence policy decisions, he said that he hoped that you would take the matter up with the President and have the Joint Chiefs overruled. As you know, he feels very strongly that we should go ahead with the negotiation of the Treaty. I fully agree with him. In this connection, he stressed a point which the Consultants also had in mind; namely, that the negotiation of the Peace Treaty would be one of the dramatic steps by which we could recapture from the Russians the initiative in terms of general Asiatic thinking. The General noted in this connection that the Joint Chiefs had been overruled on Formosa and he saw no reason why they should not be overruled on this question of the Peace Treaty. Of course on the Formosan issue he agreed with the Joint Chiefs.

On several different occasions, he stressed the excellent cooperation which he had received from the State Department and indicated that his difficulties had been due almost entirely to the Department of Defense. I think I am quite aware of the problems existing along this line in Washington, but I wonder whether on a matter so important as the negotiation of the Japanese Peace Treaty it would not be possible for the President to take the matter into his own hands and request General MacArthur to report directly to him his views on this question. In terms of American thinking, SCAP's support on this would be of great importance and it would seem too bad if it were necessary to have his views remain secret. Naturally, it is of prime importance that what the General said to me in confidence should not leak out, but I hope you will consider whether without disclosing the General's comments some way could be found to solicit an open expression of his views. I would stress again that I would venture to suggest such a procedure only in a matter of very great importance. I think the negotiation of the Peace Treaty is such a matter.2

2In a memorandum of February 10 to William J. McWilliams, Director of the Executive Secretariat, Lucius D. Battle, Special Assistant to the Secretary, stated: “I have been holding the attached letter from Ambassador Jessup for some time. When the Secretary read it, he told me he saw no reason for circulating this to anyone. I assume that he felt it did not even require a reply. “If you think it advisable, we might discuss the subject with one or two people who are working on the Japanese peace treaty. It would not even necessarily have to be phrased as a suggestion from Mr. Jessup. At any rate, the Secretary wanted this played very close.” (694.001/1-1050) No additional documentation regarding Mr. Jessup's proposal has been found in State Department files.
The trip so far is really very satisfactory, and I hope it will prove as a whole to be worthwhile.

Very sincerely yours,

PHILIP C. JESSUP

694.00/1-1450 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, January 14, 1950—11 a. m.

35. Mytel 31, January 13. Following is text message from Bevin \(^2\) for Secretary as handed me by Barkley \(^3\) last evening.

(Verbatim Text.) “I said that as the Ambassador was doubtless aware Mr. Acheson had expressed to me \(^4\) some concern lest Asian members of the Commonwealth might be found in opposition to US and UK if a Japanese Peace Conference was held with considered views of US Government on main principles to be incorporated in a peace treaty with Japan before this conference took place, and in the event we had been considerably handicapped by our ignorance of the US attitude. In light of discussions in the conference it had been agreed that the members of the Commonwealth should coordinate their views on the substance of the Japanese Peace Treaty through a working party which would develop in London and consist of High Commissioners supported by experts. Mr. Acheson would be able keep in touch with me and I would, of course, keep him informed of the progress of our deliberations. These discussions would be confined to members of the Commonwealth and would be designed to work out an agreed policy and to avoid any risk of a split within the Commonwealth.”

Comment: Although Bevin himself stated that message was for Secretary’s eyes only and emphasized importance of avoiding any leak, present text is classified secret and has apparently been transmitted various British Missions. Perhaps only interesting point left out was Bevin’s remark that Washington had indeed been suggested as place working party should meet (mytel 29 January 12) \(^1\) but that it would hardly do for a Commonwealth committee have its headquarters there.

SATTERTHWAITE

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\(^1\) Not printed.

\(^2\) Ernest Bevin, Secretary of State for Foreign Affairs of the United Kingdom, was in Colombo for the Commonwealth Conference of Foreign Ministers held January 9-14, 1950.

\(^3\) Possibly Roderick Edward Barclay, Private Secretary to Mr. Bevin.

\(^4\) Apparently by means described in Mr. Acheson’s memorandum of his conversation held in Washington December 24, 1949, with the Ambassador of the United Kingdom to the United States, Sir Oliver Franks. Text is printed in *Foreign Relations, 1949*, vol. vii, Part 2, p. 924.
TOP SECRET

[WASHINGTON,] January 18, 1950.

Subject: Japanese Peace Settlement

Attached for your consideration are the following memoranda:

Tab A. Outline for Meeting with you on Japanese peace settlement.
Tab B. Course of Action with Respect to Japanese Peace Settlement.
Tab D. Analysis of JCS decision that a peace treaty is premature.
Tab E. Memorandum from Mr. Perkins to Mr. Butterworth on Soviet Exclusion from Japanese Treaty.

Mr. Fisher is submitting to you separately his opinion on the legal aspects of the problems involved.

[Tab A]

OUTLINE FOR MEETING WITH THE SECRETARY ON JAPANESE PEACE SETTLEMENT

PROBLEM

To determine:

A course of action for the U.S. Government with respect to a Japanese peace settlement; and

A procedure by which agreement within the U.S. Government to such a course of action can be reached.

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1 Tabs A through D were drafted by John B. Howard, Special Assistant to the Secretary.

2 Earlier versions of Tabs A and B dated January 9, not printed, are enclosed with Mr. Howard's memorandum of January 10 to Mr. Butterworth, also not printed. (694.001/1-1050)

3 Not printed.

4 Only the notes to this paper are printed.

5 In this memorandum of December 30, not printed, George W. Perkins, Assistant Secretary of State for European Affairs, had argued in part that conclusion of a Japanese peace treaty from which the Soviet Union might be excluded would not of itself provoke Soviet action vis-à-vis Japan or the Far East generally. Important decisions of Soviet foreign policy would continue to be based on the Kremlin's estimate of its own and its adversaries' strengths and weaknesses, and it would be the power-political implications of such a treaty that would be of interest to it. EUR did not believe that there were elements in United States relations with the Soviet Union which, if the United States considered a treaty desirable on political grounds, should compel it to refrain from proceeding with such a treaty.

6 Adrian S. Fisher, Legal Adviser.

7 See p. 1124.
POSSIBLE ACTION

I. Conclusion of an “Agreement on the Restoration of Normal Political and Economic Relations with Japan” while continuing unchanged the occupation arrangements with respect to security matters.

Advantages:

1. Would minimize political and military risks involved in proceeding without USSR and China, while at same time establishing more stable political relationships with respect to Japan.
2. Friendly Allies in Far East would not be forced openly to choose sides between U.S. and USSR on military issue.
3. Japanese Government would be less vulnerable (than under II) to Communist propaganda that it had sold out Japanese people to Western imperialism.
4. Substantially satisfies primary concerns of JCS concerning effects of separate peace treaty on U.S. security.

Disadvantages:

1. The co-existence of legal state of war and of normal political and economic relations with Japan and rather substantial nature of change in Allied occupation controls would be seized upon by USSR and Chinese Communists in charges that agreement is subterfuge and that United States and other signatory powers had violated their wartime agreements with USSR and China.
2. Japan’s desire for total termination of occupation would be disappointed.

II. Conclusion of a Peace Treaty which authorizes the maintenance of U.S. or Western-Allied bases in Japan.

Advantages:

1. Would be more clean-cut than Course I.
2. Because of strong Japanese desire for peace treaty and likely acceptance of U.S. forces as best available solution of Japan’s security problem, would take advantage of unique opportunity which may not again recur to secure exclusive long-term U.S. or Western Allied bases in Japan.
3. Would completely satisfy Japan’s desire for a peace treaty.
4. Would from legal standpoint, if UN approval is obtained, provide broadest international basis for U.S. security forces in Japan.

Disadvantages:

3. Would confront friendly Far East Allies with necessity for open choice of sides in East-West conflict on a military issue.

4. USSR and Chinese Communists would make greatest possible difficulties for Japanese Government, which would be subjected to all-out propaganda campaign of having sold out Japanese people to Western imperialism.

5. Complete termination of SCAP controls might increase Soviet and Chinese Communist capabilities of increasing their influence over Japan.

6. If UN consideration is sought, might well deepen issue dividing U.S. and USSR with possible harm to United Nations itself.

[Tab B]

JANUARY 17, 1950.

COURSES OF ACTION WITH RESPECT TO JAPANESE PEACE SETTLEMENT

This memorandum analyzes two courses of action with respect to a Japanese peace treaty. Neither course is wholly desirable. Each involves in varying degrees difficulties with the Soviet Union and Communist China which flow from the present state of U.S.-Soviet/Chinese relations. But either course is believed preferable to other courses which have been considered, including a stand-by SCAP arrangement or a continuation of the status quo.

The present situation is viewed as one in which the occupation in its present form has passed its peak, the Japanese and most if not all of the friendly Allied Powers favor the conclusion of an early peace treaty if security can be maintained, the Soviet Union and Communist China together have substantial capabilities of influencing Japan's future behavior, and it is of primary political importance that the United States be in a position of favoring and attempting to obtain a satisfactory peace treaty. At the same time it is assumed that the United States is determined (a) to maintain its forces in Japan for the purpose of helping to maintain security in that area and thereby protect the security of the United States and (b) to conduct its relations with Japan and the Far East in such a way as to promote the pro-Western orientation of Japan and of the non-communist nations in the Far East, and therefore that the Soviet Union and Communist China will probably not concur in the course of action adopted.

*Refers to an approach which prescribed discontinuance on a broad scale of the exercise of detailed SCAP controls over the Japanese Government but retention of formal SCAP powers as a basis for maintaining United States forces in Japan and allowing the United States to intervene in Japanese affairs in time of crisis. This approach was discussed, but not recommended, in the memoranda mentioned in footnote 2, p. 1117. See also footnote 18, p. 1128.
CONCLUSION OF AN "AGREEMENT ON THE RESTORATION OF NORMAL POLITICAL AND ECONOMIC RELATIONS WITH JAPAN" WHILE CONTINUING UNCHANGED THE OCCUPATION ARRANGEMENTS WITH RESPECT TO SECURITY MATTERS

The agreement would restore to Japan the full exercise of its sovereign powers in the political and economic fields. It would contain substantially the same political and economic provisions as would a peace treaty embracing the entire scope of problems arising from the war. Following the entry into force of the agreement the signatory nations would exchange diplomatic representatives with Japan in the usual fashion.

At the same time the agreement would not deal with security matters (including occupation forces and Japanese demilitarization). It would likewise not deal for security reasons with territorial questions including the disposition of Formosa, the Ryukyus (Southern Sakhalin and the Kuriles. The agreement would expressly provide that it does not affect in any way the powers of SCAP under the Instrument of Surrender with respect to "security matters", which would not be defined in the agreement.

Following conclusion of the agreement the United States would issue to SCAP an agreed directive which would take cognizance of the fact that with the conclusion of the agreement the Potsdam terms and the FEC decisions relating to non-security matters had been fulfilled and which would direct that SCAP’s powers be thereafter restricted to matters of security. Existing FEC decisions relating to security, which are fairly clear cut in their application to the occupation forces and to Japanese demilitarization, would continue to be carried out. The activities of the Far Eastern Commission and of the Allied Council for Japan would also be restricted in practice to the field of security.

From a legal standpoint the agreement would purport to continue unchanged in the security field the wartime Allied agreements (the Potsdam Proclamation and the Instrument of Surrender) which constitute the international legal basis for SCAP’s powers and for the Allied occupation forces in Japan. It would not bring about a state of peace in the traditional sense and the state of war would legally continue.

9 The Far Eastern Commission. It was established by, and its functions were set forth in, the Communiqué of the Moscow Conference, issued December 27, 1945, by the representatives of the United Kingdom, United States, and the Soviet Union. Text is printed in Department of State Bulletin, December 30, 1945, p. 1027. For the activities of the FEC, see Department of State, The Far Eastern Commission: A Study in International Cooperation, 1945 to 1952 (Washington: Government Printing Office, 1953).

10 Also established and structured by the Communiqué cited in the previous footnote.
Procedure

The first step would be to negotiate as much as possible of the agreement with friendly FEC countries through diplomatic channels. Such a step is necessary in any event to obtain adequate assurance of agreement with our friendly Allies on content and procedure before going further. The establishment of a Commonwealth working group reported by Bevin would facilitate this step. Japan’s views might also be discreetly explored at a late stage in this first step.

Second, the USSR and China would be given an opportunity to agree or disagree with and express their views on the resulting draft agreement. This could be done by the United States approaching the USSR and by the United States or United Kingdom approaching China through diplomatic channels. (A less attractive alternative would be for the United States, acting as a sort of spokesman for the friendly FEC powers, to submit the draft agreement to a meeting of the CFM; this course would have the advantage and disadvantage of meeting the USSR and China in a forum of the USSR’s own choice.) If an agreement appeared possible any concessions would of course be cleared in advance with the friendly FEC powers. If agreement were not possible we would proceed with step three.

Third, as many countries as possible would be given an opportunity to participate in the signature of the draft agreement. This would be accomplished by calling a conference for that purpose. The USSR and China would probably be invited. (Conceivably they might not be invited if a prior CFM meeting had been held, on the ground that they had already refused to concur in such an agreement.) The conference would in any event be brief: non-FEC nations and Japan would be given an opportunity to express their views and after any modifications had been made, under a previously agreed voting procedure without veto, the ceremony of signature would take place.

Fourth, following conclusion of the agreement, the United States would issue to SCAP a directive previously agreed to by the conference powers. Taking cognizance of the fact that with the conclusion of the agreement with Japan the Potsdam terms and the FEC decisions relating to non-security matters had been fulfilled, the directive would direct that SCAP powers be thereafter restricted to matters of security. (Additional steps would be taken to put the occupation forces on a pay-as-you-go basis, to limit the purge to the minimum requirements of the existing FEC decisions and to strengthen the Japanese civil police.) The U.S. representative to the FEC would notify that body of the directive concurrently with its issuance.

Fifth, when the agreement entered into force, the United States would appoint an Ambassador to Japan who would have normal ambassadorial status. SCAP, however, would continue in Japan as the ranking international representative but with functions limited to the field of security.

Justification

The U.S. position by which the above type of agreement would be justified is in brief as follows:

Responsibility for the maintenance of security with respect to Japan is currently being exercised by the powers responsible for Japan’s defeat through the stationing of Allied troops in Japan under SCAP. This arrangement arose out of the war and out of Allied wartime agreements. The United Nations Charter \(^\text{12}\) envisaged that the powers which defeated Japan would continue to bear the responsibility for security with respect to Japan until such time as the United Nations would have achieved the moral strength and armed services necessary to enable it to assume this responsibility. Similarly, the Potsdam Proclamation envisaged a more permanent security arrangement to which this security responsibility could be transferred when the occupation would be terminated. Thus the Potsdam statement of the long-term objectives of the occupation included the following terms:

“There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest, for we insist that a new order of peace, security and justice will be impossible until irresponsible militarism is driven from the world.

“Until such a new order is established and until there is convincing proof that Japan’s war-making power is destroyed, points in Japanese territory to be designated by the Allies shall be occupied to secure the achievement of the basic objectives we are here setting forth.”

The USSR has by its aggressive policy and intransigent attitude inside and outside of the United Nations prevented the development of a more permanent security arrangement which could be substituted for the present arrangement. Under present circumstances the withdrawal of Allied occupation forces would leave in a disarmed and defenseless Japan a vacuum into which Communist forces would not hesitate to move, with the consequent growth in Japan either of a totalitarian militaristic regime of the right or a Communist instrument of “Slav imperialism”. Under these circumstances the long-term security objectives of the Potsdam Proclamation cannot be achieved,

nor can the special responsibilities of the nations which defeated Japan be discharged, by the withdrawal of the occupation forces.

At the same time the Japanese people have worked diligently and faithfully to discharge their surrender commitments and the Allied purposes enunciated at Potsdam have been fulfilled in many essential respects. Thus, the physical war potential of Japan has been destroyed; the Japanese people have established in their country guarantees for the protection of the fundamental human rights; and a Japanese Government has been established in accordance with the freely expressed will of the people. Moreover, the Japanese people have adopted a Constitution in which they have forever renounced war as a sovereign right of the nation and have declared that the maintenance of land, sea, and air forces will never be authorized. The reason that Allied Forces still occupy Japan is itself by no means due to the fault of the Japanese since the inception of the occupation, but rather to events and circumstances which Japan’s past aggressions helped to set in motion but which are now beyond Japan’s capacity to influence or control.

The United States is, and for some time has been, persuaded that the Japanese people are entitled to have their country restored to a more normal state of international relations. In 1947 the United States proposed a conference to consider a peace treaty with Japan with such continuing controls as might be adequate to secure the conditions essential to peace. This proposal and this invitation of the United States were not acted upon. During the past year the United States has unsuccessfully attempted to reach agreement through the FEC that Japan should be permitted to have consular and trade representatives in the various Allied countries in order to promote the restoration of normal economic relationships between Japan and other countries.

The United States now proposes, as a basis for as widespread agreement as possible, the conclusion of an agreement to restore Japan to normal political and economic relationships with other countries. Such an agreement will enable Japan to re-enter the community of nations, to devote her full energies to the achievement of further political and economic progress and stability, and to become eligible for admission to the United Nations. These benefits should not be further denied the Japanese people because of Soviet obstruction of an adequate and more permanent security arrangement. Through the conclusion of such an agreement the Japanese people will achieve the benefits of normal international relations which they deserve while the Allied powers will be given further opportunity for the development of an effective and more permanent security arrangement which

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23 For pertinent documentation on efforts of the United States in behalf of a peace treaty with Japan, see Foreign Relations, 1947, vol. vi, pp. 446 ff.
will be adequate to secure these benefits for the Japanese people and for the United Nations.

Advantages and Disadvantages.

Relations with the USSR and China—The above course of action would minimize the political and military risks involved in proceeding without the USSR and China, while at the same time affirmatively coping with those factors which make desirable the restoration of Japan to a state of peace and the establishment of more stable political relationships with respect to Japan for the coming difficult period in the Far East. The course of action would avoid, or at least the United States would appear to be making a sincere effort to avoid, an open break with the USSR over the issue of long-term U.S. bases and forces in Japan. The co-existence of a technical state of war and of normal political and economic relations and the rather substantial nature of the change in the Allied occupation control would of course be seized upon by the USSR and the Chinese Communists in their charges that the agreement is a subterfuge and that the United States and other signatory powers had in fact violated their wartime agreements with the USSR and China.

Relations with Japan—Japan’s desire for a total termination of the occupation would be disappointed. On the other hand the restoration of normal political and economic relations might be realistically accepted as the maximum possible consistent with Japanese security. Disappointment over failure to achieve a complete state of peace might be more than offset by realization of the fact, which would increase in importance in the long run, that (in comparison with a complete state of peace and a separate U.S.-Japanese long-term base agreement) the Japanese Government would be less vulnerable to Communist propaganda that the Government has been in any way responsible by its own action for the continued presence of U.S. forces in Japan and had sold out the Japanese people to Western imperialism.

Relations with Friendly Far East Powers—Our friendly Allies in the Far East, particularly countries such as India, would not be confronted with the necessity at the present time of openly siding with the United States in the cold war between East and West on a military issue in which the United States would be seeking long-term bases in Japan for purposes which the USSR and the Chinese Communists would allege were aggressive and imperialistic. It is preferable that the pro-Western orientation of the Far Eastern peoples be brought about more gradually along economic and political lines. When conditions more propitious to the establishment of a Pacific security arrangement have been developed, the occupation of Japan could be finally terminated and Japan could be admitted as a member to such an arrangement with corresponding responsibilities and obligations. Although the continued presence of U.S. forces in Japan may not be
welcomed by certain of the Far East nations, nevertheless, the termination of the occupation controls over Japan in political and economic affairs would open the door to Japan's independence in these fields and it is possible that in time those Far Eastern peoples not already convinced of the importance to their own security of U.S. forces in Japan would become so as they witness expansionist tendencies of "Slav imperialism".

Relations with the U.S. Military—The above course of action copes reasonably well with the factors believed to be of primary concern to the JCS (See Tab D: note 2 attached to Analysis of JCS Memorandum). The agreement would purport to continue unchanged the legal basis for the retention of Allied occupation forces in Japan. No new agreement affecting security to which the USSR and China would not be parties would be concluded. Thus there would be less risk that Soviet harassment of Japan and U.S. protective action might make the United States appear to be the initiator of hostile military action against the USSR, thereby increasing the security risks of the United States in Japan. This course of action would also avoid the necessity for incorporating, because of uncertainties as to developments in the Far East, maximum military demands in a treaty authorizing U.S. bases.

U.S. Public and Congress—It is believed that the above course of action would satisfy the desires of the American people and the Congress for the preservation of U.S. strength in the Pacific and for the establishment of more normal relationships with respect to Japan which would permit greater Japanese political and economic self-dependence consistent with security.

Termination of the Occupation—The retention of Allied occupation forces in Japan for purposes strictly limited to security must also be considered in the light of possible changes in the Far East which may make possible, in the long run, a change in the U.S. military posture in the Pacific without loss of security. The occupation might be wholly terminated in a number of ways: (a) by unanimous consent, although this appears unlikely; (b) by agreement between Japan and the United States or Western Allied Powers to the retention of long-term U.S. or Western Allied bases in Japan; although the opportunity for obtaining Japanese consent to such an arrangement would appear to be much more favorable now than subsequently after Japan had already received many of the benefits of a state of peace, at the same time it is possible that friendly Far Eastern peoples including the Japanese may with time become more convinced of the necessity for having Allied bases in Japan; (c) by development of Article 43 forces of the United Nations, although this possibility appears somewhat remote at present; (d) by a UN guarantee of the demilitarization and neutralization of Japan, although the
United States does not regard this favorably under present conditions and would not be obligated to accept any such determination by the General Assembly; (e) by UN action regularizing the presence of Allied occupation forces in Japan, although the Soviet Union would not be obligated to accept any such determination by the General Assembly; or (f) by the development of a Pacific regional arrangement for security purposes in accordance with Article 51 or Article 53 of the UN Charter. Such a regional arrangement, which could be coupled with the reactivation of Japanese armed forces if this appears desirable in conjunction with Japan’s admission as a member of the arrangement, appears to be a most likely possibility and one toward which the United States should with caution and proper timing bend its efforts.

[Here follows a detailed exposition of alternative "II".]

Conclusion.

It is believed that course of action I would, on balance, promote U.S. interests in accordance with our Asian policy better than course of action II.

Course II is more clean-cut than course I. It would, however, commit the United States to a long-term pattern of political relationships based on Japan’s consent to U.S. bases and, in Far Eastern eyes, a nakedly military U.S. posture in Japan. It is believed that Soviet reaction to such a situation formalized along pro-U.S. lines would be to adopt the tactic of making the greatest possible difficulties, economic and otherwise, for the Japanese Government, which it would accuse of having sold out the Japanese people to Western military imperialism.

Course I leaves the United States in a more flexible position. It leaves open the possibility of developing a more permanent security arrangement with respect to Japan at a future time under more propitious circumstances and attitudes which it should be our business to help bring about. The retention of U.S. forces in Japan as forces of the occupation, although by no means a happy necessity, has its roots in the past war and the unique U.S. contribution to the restoration of peace and security in the Pacific, and is less imperialistic-looking than course I [II?]. If Australia could be persuaded to continue its occupation forces in Japan, the psychological effect in the Far East would be further improved. The Soviet reaction would probably be to continue their drive to get occupation forces out of

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34 Course of action was discussed at a meeting held January 18. Present were the Secretary, Deputy Under Secretary Dean Rusk, Mr. Butterworth, Mr. Howard, and possibly other officials. The proposal was rejected. Mr. Howard touched on the meeting in three memoranda: March 9, to Mr. Butterworth; March 24, to Ambassador Jessup; and March 31, to Charles Bohlen, Minister at Paris, pp. 1138, 1150, and 1157, respectively.
Japan, with Soviet fire directed more against the United States than against Japan.

[Tab D]—Note 1

It is not clear what the JCS had in mind in making their statement that, in arriving at their conclusion, they have taken note of the fact that a treaty consistent with the terms of surrender “could not at this time assure the denial of Japan’s ultimate exploitation by the USSR or assure her orientation toward the western powers”. They may have had in mind one or more of the following points:

1. Since the Potsdam Proclamation requires the removal of U.S. forces when the objectives of the Proclamation have been achieved, the JCS may have concluded that with the signing of the peace treaty U.S. forces would have to be removed from Japan if the surrender terms were not to be violated. Such an interpretation of the Proclamation would not take account of (a) the fact that authority for the continued presence of U.S. forces in Japan in the post-treaty period could be derived from Japan’s consenting a separate simultaneous agreement, or (b) the fact that there is nothing in the Proclamation that precludes the signing of a peace treaty in advance of the accomplishment of the objectives of the Proclamation and the withdrawal of occupation forces.

2. The JCS may have assumed that under the surrender terms joint action is required in the signature of a peace treaty and that to proceed without the USSR, because it would not agree to the continuation of U.S. forces in Japan, would be a violation of the obligation of joint action and therefore would involve unacceptable security risks. The Department of State does not agree with this conclusion and has concluded that a separate treaty could be legal and if properly brought about would not give the Soviets a solid legal basis for charging violation of U.S. obligations.

3. The JCS may have reasoned that with the signing of a peace treaty SCAP’s command relationship with the Japanese Government would terminate, whereas the continuation of this relationship is essential to U.S. security interests. This would indicate a skepticism concerning the adequacy of normal political relationships to assure Japan’s behavior in accordance with U.S. security interests.

All of the above factors are by their nature unchanging and therefore suggest the impossibility of having a peace treaty in the foreseeable future consistent with U.S. security.

[Tab D]—Note 2

Check list of factors which have troubled the JCS and Department of Defense officials concerning the possible effects of a peace treaty upon U.S. security:

1. Uncertainties in the Far East in the face of a growing Soviet-Communist menace, as a consequence of which the U.S. military does not want any change in the situation that might increase U.S. security risks.

507-831—76—72
2. The lack of a guarantee of continued pro-Western orientation of the Japanese once the SCAP command relationship over the Japanese Government is broken.

3. The lack of a guarantee against increased Soviet influence in a Japan free to determine its own foreign political and trade relationships and the related possibility of Soviet-Communist out-bidding of the United States for bases on Japan or other security advantages.

4. The loss of the presently predominant U.S. position with respect to Japan which permits the United States largely to dictate Japanese behavior.

5. Legal and political difficulties in proceeding with a peace settlement to which the USSR and Communist China are not parties.

6. The dissolution of SCAP and the Far Eastern Group in the Office of the Under Secretary of the Army and transfer of responsibility from the Defense Department to the Department of State.

7. The possibly adverse effect upon the Allied High Commission in Western Germany through the premature whetting of the desire of the Western Germans for a peace treaty.

8. The lack of compelling positive reasons for an early peace treaty and the feeling that the Japanese are not ready politically for post-treaty freedom.\textsuperscript{13}

\textsuperscript{13} In a memorandum of his conversation held December 8, 1949, with Mr. Goldthwaite Dorr, Consultant to Under Secretary Voorhees, Mr. Howard had stated:

"In a lengthy conversation, Mr. Dorr expounded the non-legal thinking which underlay his legal views as expressed in recent conversations. The most significant of these in relation to the thinking of Mr. Dorr and Mr. Voorhees on the merits of a stand-by SCAP proposal in preference to a peace treaty, were the following:

"Mr. Dorr indicated that he did not believe Japan was ready for a peace treaty. He believed that the objectives of the Potsdam Declaration had by no means been fulfilled and that informal advice and direction of the SCAP Staff to the Japanese Government might be beneficial for some years to come in developing the type of Japanese Government which the United States would favor.

"Although Mr. Dorr shared to some extent the fears that a separate peace treaty might provoke Soviet action inimical to U.S. security, which Mr. Voorhees has advanced as a primary reason for the stand-by SCAP proposal, nevertheless Mr. Dorr indicated that he differed with Mr. Voorhees on this point in that he did not believe that the primary justification for the stand-by SCAP arrangement should grow out of the cold war between the United States and the Soviet Union. He regarded as the main justification for the stand-by SCAP arrangement the fact that Japan is not yet sufficiently stable economically, either internally or in relation to other countries, and that to free Japan from our control prematurely before it has become an accepted and integral part of a Far East economic international system might lead to consequences not desirable from the U.S. standpoint.

"He said that he regarded the proposal for a peace treaty without the Soviet Union and Communist China as a purely negative approach growing out of the cold war whereas the stand-by SCAP arrangement would permit the achievement of something constructive and would give the United States greater flexibility of action. Indeed he suggested that if U.S.-Soviet relations were not as they are, then a stand-by SCAP arrangement looking toward the gradual fading out of occupation controls and the gradual re-emergence of Japan as a member of the community of nations would be the 'normal' process.

"When I pressed him on the possible timing and method of termination of the stand-by SCAP proposal his answers, although not clear cut, indicated the possibilities of never having a peace treaty as may be the case with Western Germany, of continuing the stand-by SCAP arrangement for perhaps some five years, and of an amelioration in U.S.-Soviet relations which might at some time in the future render unnecessary the retention of U.S. bases and forces in Japan." (740.0011 PW (Peace)/12-849)
In contrast to the above points the following factors relating to security have impressed Defense Department officials as favoring an early peace treaty:

1. The strong Japanese desire for a peace treaty.
2. The fact that the occupation has probably passed its peak and will continue to run down hill.
3. The fact that the conclusion of a peace treaty will hasten the time when the rearming of Japan will be politically feasible.

694.001/1-1850

Memorandum by the Legal Adviser (Fisher) to the Secretary of State

TOP SECRET

[WASHINGTON,] January 19, 1950.

Subject: Courses of action with respect to Japanese peace settlement

The present memorandum is directed toward the basic legal question raised by Mr. Butterworth’s memorandum to you on this subject dated yesterday.

For the United States to follow either course I or course II, as set forth in Mr. Butterworth’s memorandum, without the agreement of China and the USSR would involve substantial departures from the occupation arrangements which have been set up under such international agreements as the Potsdam Proclamation, the Instrument of Surrender, and the Moscow Agreement of 1945. Such departures would evoke charges by China and the Soviet Union that the United States and its partners were engaging in serious violations of those international agreements. From the legal point of view, any separate peace treaty or agreement to restore normal political and economic relations with Japan, concluded without the agreement of China and the USSR, would have to be justified on the ground of changed circumstances, or, on what seems to me to be a stronger position, that the occupation objectives of the Potsdam Proclamation having been substantially satisfied, all countries party to the surrender are obligated to take steps to terminate the occupation. A more detailed exposition of the latter approach is attached.

Either of these claims made unilaterally by one Power or by a group of interested Powers can only be partially effective in countering charges of violation of international agreements such as the charges which could be anticipated from the Chinese Communists and the Soviet Government.

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1 This paper is filed with Mr. Butterworth’s memorandum to the Secretary of January 18, p. 1117.
2 Refers to the Communiqué of the Moscow Conference of 1945.
In any case where the United States intends to follow a course of action on either of these theories, it is important from the legal point of view that the course be pursued under the umbrella of the strongest possible international sanction. Since consideration of the legal questions by the International Court of Justice or similar tribunal is out of the question, clearly a resolution of the United Nations General Assembly as the most objective forum available and the forum having the broadest representation would provide the soundest basis from the legal point of view on which to proceed with the Japanese peace settlement if the USSR and China will not take part.

Such a procedure, with a view to obtaining the sanction of the United Nations General Assembly, would lay the best foundation for further action, whether that action is to conclude a full treaty of peace with Japan without the participation of China and the USSR, or to make an agreement for the restoration of normal political and economic relations with Japan without the participation of China and the USSR. In choosing between the path of the peace treaty and that of the political and economic agreement, it should be borne in mind that the conclusion of a treaty of peace would make a clean break with the existing occupation arrangements. To go forward with the Japanese peace settlement by making a political and economic agreement with Japan would entail a devious and obscure course of action beset with embarrassing anomalies. For example, such a political and economic agreement as envisaged in course I of Mr. Butterworth's memorandum would not terminate the existing state of war between the signatories and Japan. Under such circumstances, the exchange of ambassadors between the United States and Japan would be a curious feature of the relationships between the two countries. While the difficulties of such a situation might be overcome one by one on a de facto basis by the United States, it may be that other countries, in particular the United Kingdom, would not find it possible to engage in normal political and economic relations with Japan while a state of war continued.

The deliberate blurring of the line between war and peace contemplated by course I might have the advantage of enabling certain Far Eastern countries to appear to minimize the choice which they are making, but it might also lay the United States open to the charge of disingenuousness. An agreement of the sort contemplated in course I would purport to leave undisturbed the occupation arrangements with respect to security controls over Japan; the agreement would contain a specific provision to that effect. The intention would be that the Western Allies should continue to maintain forces and bases in Japan, that SCAP, the Allied Council for Japan, and the FEC would continue to exercise the occupation-period functions in the security field. It would be argued by the Allied Powers making the agreement that
the authority for these continued security controls lay in the occupa-
tion arrangements and not in the agreement for the restoration of
normal political and economic relations with Japan. It would, on the
other hand, be argued with considerable force by China and the Soviet
Union that the new agreement (boycotted by these two Powers) so
fundamentally changed the occupation “regime of control” as to
destroy the multi-Power inter-Allied basis for continuing the occupa-
tion regime in the security field, thereby violating such agreements as
the Moscow Agreement of 1945. In answering such a charge the United
States, if it adopted course I, would lose much of the strength of its
position that it was carrying out its commitment, made in the Potsdam
Proclamation and accepted in the Instrument of Surrender, to termi-
nate the occupation when the objectives of the Potsdam Proclamation
have been met.

ADRIAN S. FISHER

694.001/1–2450

Memorandum by the Deputy Under Secretary of State (Rusk)

TOP SECRET

[WASHINGTON,] January 24, 1950.

MEMORANDUM FOR THE FILE

At the close of the meeting of the National Security Council on
December 29, 1949, the President said that he wished to make some
remarks on the subject of the Japanese Peace Treaty. He recalled
that, at the time of the Potsdam Conference,1 the United States,
Great Britain and China had drawn up and proposed surrender terms
to Japan. These terms were presented through Sweden. In preparing
the U.S. position, the United States Chiefs of Staff and the Secretaries
of State, War and Navy participated. The Japanese accepted the sur-
render terms. The President then issued a directive on the occupation
forces and got the UK and China to concur. The USSR did not par-
ticipate in this action, since it was not then at war with Japan. The
President then said, a few days after the first atomic bomb was
dropped on Japan, Russia declared war on Japan and concurred in
the surrender terms already offered to Japan.

The President said that the U.S. position in Japan was a partnership
affair with the UK and China and that the peace settlement must be
a matter which is satisfactory to the United States and the UK. It may
be that we shall want to attempt to negotiate such a settlement with the
Russians, but he had no doubt that the United States and the United
Kingdom could negotiate a peace treaty with Japan whether the
USSR participated or not.

1 July 17–25, 1945.
The Acting United States Political Adviser for Japan (Sebold) to the Department of State

secret

[TOKYO,] January 24, 1950.

SUMMARY OF DISCUSSIONS REGARDING JAPANESE PEACE TREATY AT COMMONWEALTH CONFERENCE HELD AT COLOMBO, JANUARY 1950

Sir Alvary Gascoigne, Head of the United Kingdom Liaison Mission in Japan, called upon me today and allowed me to read a brief summary of the principal results of the discussions regarding the Japanese Peace Treaty at the Commonwealth Conference recently held at Colombo. Sir Alvary said that while he was not authorized to show me the document (which comprised six short paragraphs), he thought it would be of interest to me. The gist of the document is as follows:

1. There were no major disagreements among the several delegates and the general consensus appeared to be that the Commonwealths are in favor of a broad, liberal approach to the Japanese treaty.
2. Adequate provision should be made in the treaty to ensure that Japan does not revert to militarism or to a reactionary type of government.
3. Although no one contended that a post-treaty commission exercising control powers should be established, in one case a recommendation was made that such a commission should be formed for a number of years with inspection authority to ensure that the terms of the treaty are carried out.
4. No one present appeared to be adverse to negotiating and signing the Treaty of Peace without Soviet Russia and Communist China.
5. The several Commonwealths should closely coordinate and cooperate on the substantive provisions of the treaty, and then with the United States in order that common policies may be maintained between the Commonwealths and the United States.
6. Mr. Bevin made it clear that the United States has no intention of using Japan as a springboard for attack upon Soviet Russia; the United States, however, is primarily interested in forestalling an attack upon Japan by Soviet Russia.1

Additionally, Sir Alvary showed me a telegram which indicated that a Commonwealth "working committee", comprising High Commissioners from each Commonwealth and staffs, would be instituted in London for the purpose of studying and formulating a substantive draft of the Japanese peace treaty. He stated that in his opinion, however, this committee could not perform much useful work until such time as the United States' proposed draft treaty becomes available.

Memorandum of Conversation, by the Assistant Secretary of State for Far Eastern Affairs (Butterworth)¹

TOP SECRET

Toyko, February 5, 1950.

Participants: General MacArthur
              Mr. Butterworth
              Mr. Sebald

In the course of an hour's interview followed by a luncheon conversation, General MacArthur reiterated the views he had previously expressed to Mr. Sebald on several occasions and, more recently, to Ambassador Jessup with respect to a Treaty of Peace with Japan.

Since the Joint Chiefs of Staff had just departed from Tokyo following a three-day conference with General MacArthur, I queried him particularly as to the nature of his discussions with the Joint Chiefs and the effect which their visit to Japan might have on their previously expressed opinions.

In brief, he indicated his firm conviction that his discussions with the Joint Chiefs had a helpful and constructive result; he felt sure that the Joint Chiefs would considerably modify their previous opinion, but they should be given a little time so as not to lose face in the process of reversal.²

It is of interest that in this connection, General MacArthur referred to the opinion of the Joint Chiefs of last July ³ about which, he said, he had not been consulted and said that General Bradley under questioning admitted it had been only "lightly considered".

Among the things which General MacArthur vouchsafed he had stated to the Joint Chiefs, two points are of particular interest: one, his insistence to the Joint Chiefs that they had exceeded their terms of reference and expressed opinions which had nothing to do with the military aspects of the problem on which their advice had been

¹ Mr. Butterworth enclosed this memorandum with a letter of February 6, not printed, to Livingston Merchant, Deputy Assistant Secretary of State for Far Eastern Affairs. On February 7 Mr. Butterworth, by then in Manila, summarized this conversation in telegram 409, marked "Eyes only for the Secretary," not printed. (694.001/2-750)

² In his memorandum of the Secretary's morning meeting held February 14, William J. McWilliams, Director of the Executive Secretariat, stated in part: "Mr. Webb said he was present when the JCS reported to the President [in Washington] on Saturday [February 11]. He said they gave General MacArthur's views on the peace treaty and on bases which were as we know them. The JCS do not agree with MacArthur on that issue since they feel the Russians could make the same claim to bases that we make." (Executive Secretariat Files)

³ In a letter to General MacArthur dated February 27, Mr. Voorhees stated in part: "Since his return, General Bradley has told me orally that the Chiefs were still strongly of the opinion that it is premature to make a treaty at this time, and that they had so orally advised the President." (MacArthur Memorial Library and Archives, Record Group 5)

sought; secondly, he had emphasized the importance of not proposing to the Japanese drastic requirements regarding bases, and in this connection had cited the relationship between Egypt and the United Kingdom since 1882. He informed the Joint Chiefs that in his view a maximum five-year period was sufficient for base rights, renewal to take place thereafter by mutual agreement. He expressed the greatest confidence that the Japanese would be more than willing to undertake subsequent renewal; if anything, he said, the United States would in the end prove to be the first to seek disengagement from the agreement. I questioned him about whether the Joint Chiefs entertained the view, as Mr. Voorhees had more than once implied, that bases in Japan were to be used in the future for forward air operations against Russia in time of war. General MacArthur said decidedly not, that the bases in Japan now and for the future are and would be for defensive purposes only, and that the Joint Chiefs had no other concept in mind.

General MacArthur reiterated that he believed that the attitude of the Joint Chiefs would undergo decided modification, but it was to be expected that Mr. Voorhees would fanatically oppose any treaty in the immediate future. He felt that Mr. Voorhees entertained such exaggerated views about this matter that he would doubtless resign rather than be party to a peace treaty. He took this occasion to refer disparagingly to Mr. Voorhees, and said that he understood that Mr. Voorhees now had a fantastic scheme for Asiatic Trade which no doubt he conceived he would head.¹

General MacArthur emphasized, as he had in previous conversations with Mr. Sebald and Ambassador Jessup, the importance in his view of the United States Government proceeding without delay to call a Peace Conference, thus recapturing the initiative in the Orient and, in this connection, he went out of his way to reiterate that the situation in Japan itself could not stand still; that the Japanese would not permit themselves to be controlled by an Occupation indefinitely.

In addition, he said that in his opinion the rest of Asia looked upon the Occupation as an imperialistic venture, a belief which was largely sponsored by Soviet propaganda. He felt that the United States must make good on its promise to end the Occupation to prove to Asia our lack of imperialistic ambition here.

It was obvious from General MacArthur's account of his discussions with the Joint Chiefs that he still entertained the view that the neutralization of Japan would be of advantage to Soviet Russia as well as to the United States, and therefore should be acceptable to both countries. General MacArthur seemed moved to hold this concept of

¹This reference may possibly be to the NSC 61 proposals. For a citation to NSC 61 documents, see footnote 2 to the memorandum by W. W. Diehl, Financial Attaché of the Mission in Tokyo, to Mr. Sebald, June 20, p. 1223.
Soviet interest in a neutral Japan because of his view that the Soviet positions in this part of the world are of a defensive character. Also he conceives that so profound is the anti-Russian feeling in Japan that an association between Japan and Russia would not prove on balance advantageous to Russia. Queried about these assumptions and about Soviet Russia’s desire to control the power potential of Japan, General MacArthur, without disavowing his previously expressed view, made it clear that if Soviet Russia (and Communist China) did not join in a Peace Treaty, he felt that a Treaty should nevertheless be concluded with the other concerned nations.

W. Walton Butterworth

Executive Secretariat Files: Lot 61D167

Memorandum by the Deputy Under Secretary of State (Rusk) to the Executive Secretary of the National Security Council (Lay)

TOP SECRET


Subject: Implementation of NSC 13/3 (covering period July 1 through December 31, 1949).

Pursuant to NSC Action No. 123, the following progress report on the implementation of NSC 13/3 “Recommendations with Respect to U.S. Policy Toward Japan” is submitted for the information of the Council.

Paragraph 1 (Timing and Procedure of a Peace Treaty)
Paragraph 2 (The Nature of the Treaty)
Paragraph 4 (The Post-Treaty Arrangements)

[Here follows a description of developments which are documented in Foreign Relations, 1949, volume VII, Part 2, pages 601 ff.]

The Department of State is currently analyzing the JCS memorandum² with a view to determining its position on the future course of this Government with respect to a treaty.

Paragraph 5 (The Ryukyu, Nanpo and Marcus Islands)

Permanent construction on Okinawa is being designed on a long-range master plan for base development, appropriations of approximately $58,000,000 having been obtained for this purpose.

A detailed directive to CINCFE is now being drawn up by the State and Army Departments, in consultation with CINCFE, looking to the full implementation of the principles set forth in this paragraph.

² Of December 22, 1949, to Secretary of Defense Johnson, printed ibid., p. 922.
Paragraph 6 (Naval Bases)

During July the Secretary of Defense reported as follows:

“(a) Yokosuka. Items of equipment suitable for a commercial shipyard have been retained and repaired; and the physical layout altered to promote use as a commercial shipyard.

(b) Okinawa. No construction ashore is planned due to unsuitability as a year-around naval base. The fleet anchorage is usable in good weather for self-supporting fleet units.”

Paragraph 7 (The Japanese Police Establishment)

On December 16, SCAP reported that the Japanese police force was at full authorized strength of 125,000 men, of whom 100,000 are undergoing intensive in-service training. As of that date the 30,000 national rural police were completely armed with U.S. revolvers and approximately 40,000 of the 95,000 municipal police were similarly armed. It is understood that the remaining 55,000 municipal police will shortly be equipped with revolvers.

No report has been received as to the precise nature of the measures SCAP may be taking to expand the centrally-directed police organization.

Paragraph 8 (Supreme Commander for the Allied Powers)

Paragraph 11 (Relations with the Japanese Government)

On December 16, SCAP cabled as follows:

“Since 1 January 1949, GARIOA Department of the Army civilian personnel in Japan (GHQ and Eighth Army) have been reduced from 3,660 to 3,205 on 1 July and to 2,747 on 1 January 1950: a total of 913 reduction or 25 percent of 1 January strength.

Net reduction resulting from elimination prefectural civil affairs teams is 1,968 military and 164 Department of the Army civilians for a total 2,132, or 77 percent of 1st January, 1949, strength.

Prefectural civil affairs teams were discontinued 30 November 1949.”

SCAP then proceeded to list in his cable various recent steps that had been taken to turn over responsibility to the Japanese Government in the fields of import trade, the direction of foreign exchange funds, the control of commodity allocations, communications, transportation, customs, immigration, etc.

Paragraph 13 (The Purge)

General MacArthur has expressed the view that any action to change existing directives and ordinances with respect to the purge would require FEC approval, in view of the fact that FEC policies on the purge were developed in broad outline in the light of actions previously consummated in Japan. In order that all U.S. directives with respect to the purge might be brought into consonance with NSC 13/3, the JCS have rescinded those paragraphs of the basic
initial post-surrender directive for the occupation and control of Japan which treat of the purge. This rescission has left FEC policy decisions the sole directives to SCAP in force in connection with the purge. The Japanese Government is now reviewing purge actions previously taken on over 31,000 persons.a

**Paragraph 14 (Occupation Costs)**

Allied occupation forces fund requirements on the Japanese national budget, computed at official military conversion rates prevalent during the respective years, have been JFY 46—$2,323.3 million; JFY 47—$1,409.0 million; JFY 48—$932.5 million; JFY 49—$287.0 million. Figures for JFY 50 are not available but are understood to be slightly less than for the preceding year.

**Paragraph 15 (Economic Recovery)**

Specific measures taken to encourage economic recovery in Japan have included the implementation of the nine-point economic stabilization program, notably, the passage by the Diet of a balanced budget, the elimination of export subsidies and the reduction of domestic subsidies, the creation of a counterpart fund to assure most effective use of U.S. aid, the tightening of credit policies. Other measures to encourage economic recovery have been the reopening of the stock exchange, the improvement of the raw materials allocation system, the return of trade to private channels, and the expenditure of U.S. appropriated funds for Japan's economic recovery. The U.S. is continuing its endeavors to obtain most-favored nation treatment for Japan and contemplates the establishment within the near future of Japanese agencies abroad for trade expansion.5 During December,

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a On October 13, 1950, SCAP announced the release of 10,000 persons from the purge designation, including a number of prominent officials and more than 3,000 former noncareer military personnel (mostly technicians). SCAP based its action on the findings of a Japanese Government appeals board, which stated that the purge designations of these individuals had been in error.

On November 10, SCAP, again on recommendation of the Japanese Government, released from the purge somewhere between 3,200 and 3,250 former junior officers. In this case the Government had emphasized in part that the men in question had all entered the Army after December 8, 1941.

As of early January 1951, 190,000 Japanese were still on the purge list. (This footnote summarizes in part the following: Memorandum by U. Alexis Johnson, Deputy Director of the Office of Northeast Asian Affairs, to Maxwell M. Hamilton, United States Representative on the Far Eastern Commission, November 30, 1950 (690.00-FEC/11-3050); memorandum by James E. Webb, Under Secretary of State, to James S. Lay, Jr., Executive Secretary of the National Security Council, “Second Progress Report on NSC 13/3,” January 26, 1971 (Executive Secretariat Files, Lot 61D167).)

b The Japanese fiscal year runs from April 1 to March 31. [Footnote in the source text.]

c For documents pertinent to the initiation of this program, see Foreign Relations, 1948, vol. vi, p. 647 ff. for a summary of action on the question of Japan's participation in international relationships, see the attachment to the memorandum by John M. Allison, Director of the Office of Northeast Asian Affairs, to John Foster Dulles, Consultant to the Secretary, April 26, 1950, p. 1182.
SCAP announced a plan for strengthening the Japanese merchant marine by use of counterpart funds designed to effect an increase in tonnage of ocean-going Japanese vessels.

**Paragraph 16 (Property Matters)**

A number of property matters have been settled during the period under review, but SCAP considers impractical at least at this time a program for compensating UN nations for property confiscated in Japan.

**Paragraph 17a (Information and Education—Censorship)**

Censorship of Japanese postal and telegraphic communications, strict initially, has been gradually scaled down and has now been virtually discontinued.

**Paragraph 17b (Information and Education—Radio)**

The deficiency appropriation passed by Congress in October allocated sufficient funds to finance the construction of a powerful relay transmitter station on Okinawa. A private engineering firm is now surveying Okinawa for the purpose of going ahead with the construction of a station which would reach almost all of East Asia . . . .

**Paragraph 17c (Information and Education—Interchange of Persons)**

Under GARIOA project 452 launched in August, it is planned that 159 national leaders and specialists and 192 students will have come to the U.S. by the end of FY 1950. In August a U.S. mission was sent to Japan at General MacArthur’s request for the purpose of studying and making recommendations on how to improve the exchange of students, teachers and research scholars between the United States and Japan. The recommendations have been approved in principle and early implementing action is anticipated.

**Paragraph 18 (War Crimes Trials)**

All war crimes trials in Japan have been terminated.

__Dean Rusk__

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**Memorandum by the Special Assistant to the Secretary (Howard) to the Assistant Secretary of State for Far Eastern Affairs (Butterworth)**

**TOP SECRET**

[WASHINGTON,] March 9, 1950.

Subject: Japanese Peace and Security Settlement

You will recall that in our meeting with the Secretary¹ just before your departure for the Far East, we proposed consideration of an

¹ On January 18, 1950.
agreement to restore normal political and economic relations with Japan while continuing unchanged the occupation arrangement with respect to security matters until a satisfactory security arrangement could be brought about. A U.S.-Japanese base agreement was considered to have serious political drawbacks. You will also recall that Dean Rusk commented that, although it might be necessary to fall back on our proposal as a second line, it would arouse the suspicion of our Allies if it were proposed as the preferred course of action. Moreover, as the considerable opposition expressed at the meeting evidenced, the proposal does give rise to admitted difficulties which Dean Rusk thought might be as great as the difficulties of proceeding directly to achieve a satisfactory security arrangement.

Dean Rusk therefore held a follow-up meeting\(^2\) to explore the course of going ahead with a direct attempt to solve the security problem. He suggested that consideration be given to the type of security arrangement the United States would regard as the most desirable. The security arrangement proposed in the attached memorandum was developed and presented to the Secretary.\(^5\) The Secretary appeared to regard the proposed security arrangement favorably, and asked us to prepare a memorandum for the NSC. He subsequently mentioned the general idea to the President, who replied that he considered it hopeful.\(^4\)

The shorter of the two attached memoranda\(^5\) is intended for submission to the NSC for their approval as the position of the United States Government. The longer memorandum is intended simply for the information of the NSC in the form of the position of the Department of State. The Secretary has not yet seen these memoranda, which have been held up waiting your approval.

Clearances include FE (except for yourself), NA, S/P, L and UNA. The comments of EUR have been received and analyzed. The comments of GER have not yet been received. The comments of NEA have been received in part. Memoranda concerning these comments

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\(^2\) On February 7, exact attendance at this meeting is uncertain. A memorandum of February 1 from Mr. Howard to Mr. Rusk, not printed, included discussion of a “Pacific Pact” and formed the basis of discussion at this meeting. (794.5/2–150)

\(^3\) On February 20; exact attendance uncertain. On February 10 Mr. Rusk had forwarded to the Secretary a revision, not printed, of the paper mentioned in the preceding footnote. (794.5/2–1050) The paper printed here is a further revision of the preferred alternative presented in it.

\(^4\) In his memorandum of his conversation held with President Truman on February 20, Secretary Acheson stated with regard to a Japanese peace treaty: “In a general way I sketched out for the President some of the ideas presented to me at the meeting this morning, and asked whether the preparation of a NSC paper along these lines seemed sound to him. He said that he had been worrying about this matter and thought the ideas we had seemed hopeful. He approved going forward with the preparation of the paper.” (694.001/2–2050)

\(^5\) Not printed. No record that it was considered in the full NSC has been found in State Department files.
would have to be included, together with the usual S/S outline, before the attached memoranda are sent on to the Secretary.

[Attachment]

POSITION OF THE DEPARTMENT OF STATE ON UNITED STATES POLICY TOWARD A JAPANESE PEACE AND SECURITY SETTLEMENT

This memorandum sets forth the position of the Department of State on United States policy toward a Japanese peace and security settlement.

It is recommended:

1. That this Government should as a matter of urgency conduct diplomatic discussions with other friendly governments for the purpose of obtaining their concurrence in going forward with the conclusion of a Japanese peace treaty and a Pacific collective security arrangement along the lines set forth below. Such a peace treaty and security arrangement would constitute additional elements in an affirmative and cooperative United States policy toward Asia, other elements of which include United States encouragement of a voluntary regional association of Far Eastern non-Communist countries for economic and cultural purposes, development of a coordinated Point IV program, and United States economic and military assistance to individual countries such as Korea, the Philippines, Indonesia and Indochina.

2. That this Government should proceed simultaneously to determine the precise nature of foreseeable United States military requirements with respect to Japan under such a security arrangement.\(^6\)

GENERAL CONSIDERATIONS

1. The Need for an Early Peace Settlement
[Here follows a discussion under this heading.]

2. The Problem of Security

The root of the problem of proceeding with the negotiation of a peace treaty is the problem of the security of the United States and its friendly Allies in the post-treaty period. The essential objectives of the United States from both the political and the military standpoints are the denial of Japan to the USSR and the maintenance of Japan’s orientation towards the Western powers (NSC 49 and 49/1).\(^7\)

The security problem relating to Japan has two aspects. The first aspect flows from Japan’s aggression which led to the war and from the fear of the victims of Japanese aggression concerning its possible resurgence in the future. The second aspect flows from the postwar

\(^6\)The substance of the preceding two numbered paragraphs forms the conclusion of the paper mentioned in the preceding footnote.

\(^7\)An unsigned State Department paper of September 30, 1949 was circulated as NSC 49/1 on October 4. For text, see Foreign Relations, 1949, vol. VII, Part 2, p. 870.
threat of aggression from Soviet-Communist expansion in Asia. The first aspect of the problem would normally be taken care of in a treaty of peace. The second aspect would not normally be part of a peace treaty. However, the two aspects overlap and it may be possible that a satisfactory security arrangement for one would materially assist in taking care of the other.

The problem of security against Soviet-Communist expansion also has two aspects. One aspect is defense against overt attack and invasion. The other aspect is protection against Soviet-Communist agitation, subversion and coup d'état. The two aspects are, however, closely related. On the one hand, a sound defense against armed attack contributes to the feeling of security among the Japanese necessary to political, economic and social stability and progress. On the other hand, rights to maintain armed forces and military bases on Japan would not contribute to Western military strength unless they rested on Japanese support founded on healthy political, economic and social conditions.

The underlying problem of a peace and security settlement with Japan is therefore to determine a course of action which will preserve or strengthen the security of the United States and its friendly Allies in the Far East through the creation of new and more stable political relationships with respect to Japan which will best assure the continued pro-Western orientation of the Japanese. It is impossible for any treaty or settlement or any course of action or inaction to assure unqualifiedly such an orientation of the Japanese. Our objective should be to determine the way which secures the greatest gains with the least risks.

Our appraisal of Soviet intentions is that the USSR would probably now favor the early conclusion of a multilateral peace treaty if it could thereby secure the evacuation of United States troops from Japan, the legalization of Soviet territorial gains, a post-treaty voice in Japan and possibly some economic gains and opportunities for propaganda in Japan, with the ultimate objective of seizing power in Japan through the Japanese Communist Party. But Soviet actions, particularly the recent demand for the trial of the Emperor as a war criminal, the Sino-Soviet treaty of alliance directed against Japan and its Allies, and the purge of the Japanese Communist Party, indicate that the USSR may have given up hope of obtaining such a settlement in the near future and has determined to participate in a Japanese settlement only on its own terms. These actions suggest that the USSR has determined to concentrate its attention on China and Southeast Asia rather than on Japan and is preparing to cope with a situation formalized along the lines of an anti-Communist bloc including a pro-Western Japan and based on United States military power. For these purposes the USSR and Communist China
have substantial capabilities which cannot be ignored and which would
be tremendously increased should there be further substantial Com-
munist successes on the Asian continent.

Under these circumstances action by the United States and its
friendly Allies in proceeding with a peace and security settlement
which is acceptable to them and therefore probably not acceptable to
the USSR and Communist China would not materially alter Soviet
actions with respect to Japan or the Soviet timetable in Southeast
Asia. Indeed failure to take such action exposes the United States
and its friendly Allies to the blame within Japan for the Soviet-
Communist pressures directed against Japan, without the Japanese
at the same time enjoying the benefits and protection of such a
settlement.

This is not to say that the United States should not seek a peace
treaty with Japan which is fair and reasonable even in relation to
the USSR. But the United States is under no legal obligation to the
USSR either to sign a peace treaty on Soviet terms or not to sign at
all. Such legal pretext as the Soviets might create out of the signature
of a peace treaty without their participation would not be necessary
to or change those actions which they considered justified in terms of
political and power relationships. Should such a pretext be absent
because the United States refrained from proceeding except on Soviet
terms another pretext would be created by the USSR to serve a
similar purpose.

At the same time, if it becomes necessary to conclude a peace and
security settlement without the USSR and Communist China, the
United States should proceed with as many as possible of its friendly
allies in order to spread the burden of responsibility and to minimize
the adverse effects of Soviet-Communist pressures upon the Japanese.
Thus, in the conclusions of the NSC on the position of the United
States with respect to Asia (NSC 48/2), it is stated that the United
States should appraise the desirability and means of developing col-
lective security arrangements bearing in mind the reluctance of India
to join in an anti-Communist security pact and the necessity of shar-
ing of the burden by all participating states.

PEACE AND SECURITY SETTLEMENT

The above considerations suggests these guides to a peace and secur-
ity settlement:

1. That an early peace treaty with Japan is in the interests of the
United States provided concurrent measures are taken to preserve the
United States military position in the Pacific.
2. That the problem of security against Soviet-Communist expan-
sion, which would not normally be covered by a peace treaty with
Japan, should be dealt with separately from the peace treaty in a
security arrangement for the post-treaty period.
3. That post-treaty arrangements should promote the development of a framework of friendly allies for Japan so as to promote Japan's pro-Western orientation and its reestablishment as a stable and peaceful member of the family of nations.

4. That the United States and its friendly allies should, if there is a sufficient measure of agreement among them upon an acceptable settlement, proceed without the USSR and Communist China should this be necessary.

1. The Peace Treaty

A peace treaty should be concluded which is designed to restore Japan to a genuinely sovereign status with a minimum of restrictions and special disabilities. It should be of such a character as to appeal to Japanese interest and thus draw Japan into friendly relations with the non-Communist nations. The treaty should be brief as possible, but should deal clearly and specifically with all matters involved in the re-establishment of normal relations between the Allies and Japan. Pending the coming into force of the peace treaty the Japanese should be prepared for the task of maintaining internal security in Japan.

[Here follows detailed description of peace treaty desiderata.]

2. The Collective Security Arrangement

A collective security arrangement should be concluded consistent with the UN Charter for the purpose of maintaining peace and stability in the Pacific area and of promoting cooperative measures among the members for their collective self-defense. The membership would include, initially, the United States, Canada, the Philippines, Australia, New Zealand and Japan.

The major provisions of the arrangement would be along the following lines:

An undertaking by the parties to settle disputes by peaceful means and to refrain from the threat or use of force as provided in the UN Charter.

An undertaking by the parties to contribute to the further development of peaceful and friendly relations by the strengthening of free institutions, bringing about a better understanding, and promoting conditions of stability and well being; and to eliminate conflict in economic policies and encourage economic collaboration.

An undertaking by the parties to consult whenever their territorial integrity, political independence, or security is threatened.

Agreement that an armed attack against any member should be considered an armed attack against all the members, and that each would take such action as it deemed necessary, individually or in concert with other members, to assist the member attacked. All measures taken would immediately be reported to the Security Council and would be terminated when the Security Council had taken measures necessary to restore and maintain peace and security.

An undertaking by the parties, by means of continuous self-help and mutual aid, to cooperate in the maintenance and development of measures for their defense against armed attack. In particular the parties
would undertake to conclude special agreements in accordance with which they would make available according to their respective capacities armed forces, assistance, and facilities, including rights of passage, necessary for carrying out the purpose of the security arrangement. (Note—Pursuant to this provision a special agreement fixing such rights to bases on Japan as are necessary could be concluded.)

The establishment of a council, on which each member would be represented, to consider matters concerning the implementation of the arrangement.

Provision for the admission, by unanimous agreement, of other Pacific powers as members.

Provision for review of the arrangement at the end of every five years or at any time requested by a majority of the parties.

Provision of the right to cease to be a member after twenty years upon the giving of notice of denunciation of the arrangement.

Advantages—The advantages of such a Pacific collective security arrangement concluded apart from the peace treaty are briefly as follows (fuller comments are given below):

The United States would gain allies in the Pacific area while its own commitments would not be materially different from existing United States responsibilities in the Pacific.

The arrangement would facilitate the signature by other members of a non-punitive peace treaty with Japan and help to assure them against a resurgence of Japanese aggression.

It would strengthen Japan’s resistance to Soviet-Communist pressures and facilitate restoration of normal political and economic relations between Japan and other members.

India and other countries which are reluctant to join any anti-Communist association would be enabled to participate in an unobjectionable peace treaty with Japan and at the same time, since they are not proposed for membership in the security arrangement, would not be squarely confronted with the necessity of openly choosing sides in the East-West conflict on a military issue.

The proposed security arrangement would reinforce measures for the strengthening of Indochina and other non-communist South East Asian countries and provide a backstop that would assist in their protection against Soviet-Communist expansion.

3. Procedure

The procedure to be followed for the conclusion of the peace treaty and its security arrangement should, so far as the peace conference is concerned, aim at a course in which the break to be expected with the USSR and Communist China would probably come on procedural issues rather than substantive issues and would come in a forum which makes it clearly a break with a large group of nations and not with the United States alone. Also the procedure should rest as fully as possible on the 1947 precedent of the peace conference proposal.

A procedure along the following lines is therefore recommended.

The first step is to arrive at a United States Government position. This step would include Congressional consultation.
The second step would be to negotiate as much as possible of the peace treaty and the security arrangement with friendly FEC countries through diplomatic channels. Such a step is necessary in any event to obtain adequate assurance of agreement with our friendly Allies on content and procedure before going forward. Japan’s views would also be discreetly explored at a late stage in this step.

Third, the United States would renew its invitation of 1947 for an FEC-power peace conference, designating time and place and proposing again a two-thirds voting procedure. The first task of the conference would be to determine its voting procedure. At an appropriate stage the non-FEC nations and then Japan would be invited to participate in some way. The conference would be as brief as possible with most of the time devoted to the views of non-FEC nations and Japan. After any modifications had been made the ceremony of signature would take place. As many countries as possible would be given an opportunity to participate in the signature of the peace treaty. (Modification of the above procedure may be required if the USSR proposes a peace conference before the United States is ready to issue invitations to such a conference.)

Fourth, immediately following conclusion of the peace treaty the nations to be included in the security arrangement would proceed with the final negotiation of the agreement for a security arrangement. Any special agreement fixing such bases on Japan and rights incident thereto as may be necessary could also be informally agreed upon, possibly subject only to adoption under the regional arrangement when that arrangement entered into force.

Fifth, the peace treaty and security arrangement would be submitted simultaneously to the Senate for ratification.

Finally, in order to avoid a gap in time between the entry into force of the peace treaty and the security arrangement, the ratifications necessary to bring both into force might be deposited on an agreed date. Japan’s act of ratification of the security arrangement could immediately follow its act of ratification of the peace treaty, both acts having been previously authorized by the Japanese Diet.

The above procedure assumes that a representative of the Chinese Communist Government would already have been admitted to the FEC. This would be the ground for justifying the inclusion of the Communist Government in the invitation to the peace conference even though it might not yet have been recognized by the United States and possibly certain other FEC powers.

The USSR and Communist China might refuse to attend the conference because of their disagreement with the proposed forum and voting procedure. Or they might consent to attend, possibly with an indication that an FEC-power conference would be acceptable provided the big power veto were maintained (this was the position of the Nationalist Chinese Government in 1947). In either event, the conference would proceed and would adopt a two-thirds voting procedure without a veto. If the USSR and Communist China had come to the conference, they would probably walk out of the conference at this stage. If not, their continued presence could do little damage
because of prior agreement among the friendly allies on substance and because of the brief nature of the conference. Signature by a large number of countries would give a solid international backing to the peace treaty in spite of the refusal of the USSR and Communist China to participate.

Because it is unlikely that the pre-conference negotiations with other friendly countries could be carried out without leaks occurring, this Government should at an appropriate time after the initial negotiations issue a statement concerning its proposals.

4. Other Related Action

Other action related to the recommended peace treaty and security arrangement includes:

United States encouragement of a voluntary regional association of Far Eastern non-Communist countries for economic and cultural purposes.\(^8\)

United States assistance to Indochina (NSC 64).\(^9\)

United States programs of Point IV, MDAP and other assistance to countries of the Far East not proposed for membership in the security arrangement.\(^8\)

COMMENTS

1. The military basis of the security arrangement is principally United States sea and air power in the Pacific and the Pacific island bastions, on which the parties to the arrangement depend for their security. The arrangement formalizes existing United States responsibilities in the Pacific. The arrangement would broaden the base of sharing in these responsibilities and would provide for making as effective as possible use of the available security means for the common defense, in a manner consistent with the UN Charter. The arrangement, being designed for the Pacific area, probably would not by its terms permit the use of bases in Japan in the event war should break out in Europe, although a separate understanding might be reached with the Japanese on this point.

The defense-against-Japan aspect of the security problem, as contrasted with the defense-of-Japan aspect dealt with in the preceding paragraph above, would be dealt with as follows. The control over reactivation of Japanese armed forces would be exercised through the peace treaty mechanism of review. The mechanism of the regional arrangement would strengthen the controls normally exercised through diplomatic channels over any activities in Japan which might have adverse consequences in the security field. The majority interests of the parties in both cases should be sufficiently identical

\(^8\) For pertinent documents, see pp. 1 ff.
\(^9\) Of February 27, 1950, p. 744.
to permit the exercise of both types of controls in a consistent manner for a common purpose.

2. Because of the regional nature of the arrangement and its conformity with the purposes and principles of the UN Charter, Japan’s role would be substantially different from that under a bilateral base agreement with the United States, which would appear to be more in the nature of an outright military alliance. Nevertheless, in entering the arrangement Japan would have to choose not to remain militarily neutral. This choice would be considerably easier than it would be under a bilateral base arrangement. Japan would be one of several members of the arrangement, contributing to peace and stability in the Pacific. It would face the possibility of eventual rearmament of a limited nature geared into the collective defense of the Pacific area. Japanese interests would not under such an arrangement appear to be subordinated to the interests of the other Allies. The security arrangement’s regional framework of friendly Allies would lessen any sense of insecurity the Japanese might feel should they be cut off by the USSR and Communist China economically and politically.

Such a security arrangement offers the best assurance available of continued Japanese pro-western orientation, which in turn is a prerequisite to the effective realization of any rights to maintain forces and bases in Japan in the post-peace treaty period. Without continuing Japanese consent, the maintenance of Allied forces and bases in Japan would not only be ineffectual in promoting United States security but might have an adverse effect on our security. Thus, if sabotage and other local acts of violence against the Allied bases on Japan were not adequately prevented by domestic measures taken with the full cooperation of the Japanese people or if the Japanese people became openly hostile in their attitude, a situation would be created which would have dangerous consequences for relations between the United States and Japan, for the prestige of the United States among the peoples of the Far East and for stability generally in that area.

It is proposed therefore that, within the context of the twenty-year collective security arrangement, any special agreement with respect to bases on Japan should be for an initial five-year period with provision for automatic renewal for subsequent five year periods unless Japan or a majority of the members should withdraw their consent. It is further proposed that any such agreement, made in pursuance of the security arrangement, should be a multilateral agreement rather than a bilateral agreement between the United States and Japan, and that Australia should be persuaded to continue its forces in Japan to supplement United States forces, under the overall direction of an American commander.
3. The peace treaty should not, for political reasons, authorize the reactivation of Japanese armed forces. Nevertheless, the peace treaty should not foreclose the possibility of Japanese rearmament at some future time if this course should appear to be in our best interests or in the event Japan should become involved in armed conflict. Our objective under present conditions of the cold war is the prevention of the outbreak of war rather than measures of military defense against actual armed attack by the USSR. The premature diversion of United States aid and Japanese efforts and resources to the maintenance of a Japanese military establishment would upset the balance in the concentration of such aid, efforts and resources, on the one hand, upon the accomplishment of the foregoing objective and, on the other hand, upon the achievement of economic and social progress which in the long run will greatly influence the continued orientation of Japan towards the United States. Moreover, authorization of rearmament in the peace treaty without the expressed will of the Japanese through voluntary amendment of their constitution would appear to have been imposed upon the Japanese for the purpose of promoting the strategic military interests of the United States and would cast serious doubts among the Japanese and other peoples in the Far East as to the sincerity of United States purposes and the validity of the objectives of the occupation. Both consequences would weaken United States influence and the influence of democratic principles in Japan, both of which are necessary to offset Communist influence in Japan. Finally, a present proposal to rearm Japan would probably be viewed unfavorably by the Philippines, Australia, New Zealand and other Allied Powers that continue to fear a renascent nationalistic and aggressive Japan.

4. It is highly important that Far Eastern countries excluded from the security arrangement—particularly Indochina, Siam, Burma, Korea and Indonesia—not feel that they have been abandoned to Soviet Communism. As in the case of the exclusion of Greece and Turkey from the North Atlantic Pact, it is important that there be advance and tangible assurances of continuing United States interest in the countries excluded from the collective security arrangement. It is important that the countries of South East Asia, which are the immediate target of Soviet Communist pressures, should have their resistance to such pressures strengthened rather than weakened by the conclusion of the offshore security arrangement. These countries would have to be convinced that the security arrangement covering the Pacific area would be a backstop that would materially assist in the protection
of continental Asian areas and would in no sense be a retreat or abandonment of these areas to Soviet-Communist aggression.

In the case of Indonesia, it is believed that membership should be deferred at least so long as its internal order and strength are inadequate to enable it to make a substantial contribution to the security arrangement. Indonesia should, however, be informed of the proposed arrangement at an early stage.

It must be understood that the UK, France, and possibly the Netherlands may have objections to a collective security arrangement in the Pacific excluding them which would have to be taken into consideration. In the case of the UK, it should be pointed out that its interests and the interests of the Commonwealth are adequately represented through the membership of the three Commonwealth nations in the security arrangement; that the inclusion of the UK, France and the Netherlands in the arrangement would require in turn the inclusion of Hong Kong, the Malayan States, Indochina and Indonesia with a consequent unacceptable extension of the security commitment of the participating nations and with the consequent introduction of an unfortunate imperialistic aspect into the arrangement; and that British prestige in the Pacific should be adequately assured through the security system of the British Commonwealth of nations. In the case of France, it is believed that adequate assurance of aid to Indochina would be sufficient to justify exclusion of both Indochina and France. Similar considerations would appear to apply to Indonesia and the Netherlands.

Although the Philippines and Australia in particular would probably not relish association with Japan in the proposed regional arrangement, their vital interest in a closer security association with the United States and the importance of the defense of Japan against Soviet-Communist domination to their defense might well cause them willingly to join the arrangement after initial hesitation. Although Canada is not a "Pacific island" power its inclusion has the advantage that it is a western power like the United States yet is not a target of propaganda against imperialism.

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**Editorial Note**

In a conversation held in London March 11, Ambassador Jessup and representatives of the British Foreign Office in part discussed attitudes of other Asian nations towards a Japanese peace treaty and the economic revival of Japan. For a record of the conversation, see page 46.
Memorandum by the Special Assistant to the Secretary (Howard) to the Ambassador at Large (Jessup)\(^1\)

SECRET

[WASHINGTON,] March 24, 1950.

Subject: Voorhees' Suggested Approach to Japanese Treaty Problem

Yesterday, March 23, Under Secretary of the Army Voorhees called on the Secretary at his own request. At the meeting, which was attended by the Secretary, Ambassador Jessup and Messrs. Rusk, Butterworth and Howard, Mr. Voorhees outlined the approach to the Japanese treaty problem contained in a memorandum from him to the Secretary.

The Secretary replied that we had already considered a proposal of this nature and that the Secretary's preliminary reaction was that the arguments advanced for the proposal on legal grounds unduly stressed the extent to which such grounds, as contrasted with the political and power relationships between the USSR and the United States, would motivate the Soviet Union in its actions. Mr. Voorhees replied that he had discussed his proposal at length with the Joint Chiefs of Staff, he thought that they would be willing to go along with such a proposal, but he felt certain that the concern of the Joint Chiefs with respect to these legal grounds could not be changed. The Secretary indicated that he would nevertheless wish to discuss the matter with the Joint Chiefs.

Mr. Voorhees left with the Secretary a copy of his memorandum together with four tabs consisting of memoranda prepared by Messrs. Dorr and Murchison.\(^2\) Copies of these memoranda are attached as indicated above.

[Attachment]

23 March 1950.

MEMORANDUM FOR THE SECRETARY OF STATE

Subject: A suggested approach to the Japanese Treaty problem

Last December, the Joint Chiefs of Staff stated their conclusion that a treaty with Japan is premature. This reaffirmed their opinion of June 1949 and was in accord with the existing NSC policy approved in May 1949.

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\(^1\) This memorandum was distributed to Messrs. Rusk, Butterworth, Jessup, Fisher, and Allison, as well as to Ambassador Maxwell M. Hamilton, Chairman of and United States Representative on the FEC; Leonard C. Meeker, Acting Assistant Legal Adviser for United Nations Affairs; and Robert A. Fearry of the Bureau of Far Eastern Affairs.

\(^2\) None printed.
At my request, the Joint Chiefs of Staff, during their trip to Japan in January, reconsidered this subject after having a full personal presentation to them of General MacArthur’s views. On their return they again reaffirmed their previous position.

The basic reasoning underlying this position is, I believe, that an unarmed Japan would have no security without the presence of U.S. forces; that the surrender terms require that the occupation forces of the Allies withdraw at the end of the occupation; that to avert the necessity of withdrawal of U.S. troops, the proposed making of a bilateral agreement between Japan and the U.S. for bases might well be a breach of the surrender terms that occupation forces should withdraw when the occupation is over; further, that Russia has a right to have occupation troops in Japan but has not exercised it because of unwillingness to place her forces under an American Commander, as she is required to do while the “regime of control” continues; that if Japan should succeed in terminating the “regime of control” by a treaty to which Russia is not a party, this would leave Russia with a right to send in occupation troops free of any American Command, even without restoration of hostilities; that this would give the U.S. troops remaining in bases in Japan the unattractive options of resisting such landing by force or of attacking Russian troops which had landed, or of sharing the islands with Russian troops, or of withdrawing and turning Japan over to the Russians; further, that Russia would have an alternative right to consider the state of hostilities restored because of Japan’s breach of her surrender agreement (to place her Government and her Emperor under the Supreme Commander) and by harassing tactics against shipping or otherwise make the maintenance of the economy of Japan impossible.

On the other hand, public discussion over the past six months has made a treaty an issue of great importance in Japan. High hopes have been raised, the complete disappointment of which might well prejudice the present favorable orientation of Japan toward the U.S. General MacArthur believes that the focal point of interest for Japan is to obtain by treaty a termination of the state of war, which will give her the right to conduct her international affairs, and to this end to have diplomatic and consular agents and trade representatives in other nations. He states that the Japanese are now in very large part running their domestic affairs and that the Occupation’s economic controls are now being progressively reduced to the minimum necessary to assure effective utilization of U.S. economic aid.

The salient fact is that the word “treaty” itself has become an issue of importance in maintaining Japan’s favorable present orientation.

* January 29 to February 5.
The problem is therefore a serious one, not only for the State Department, but for the Occupation and for the Department of the Army with its occupational responsibility.

Accordingly, since the Joint Chiefs’ latest reaffirmation of their position, we have made intensive studies of this subject. In these Mr. G. H. Dorr, Mr. David C. Murchison (until recently associated with Mr. Dorr’s law office) and I have all participated. These studies led us to the conclusion that a treaty dealing with the subjects which are most essential to the U.S. and Japan is not necessarily inconsistent with the retention of the “regime of control”; that such a treaty might, therefore, be negotiated between Japan and the U.S. and any other nations which might care to join, without violation of Russia’s rights. We feel that this approach may reconcile in large degree the dilemma created by the need for a treaty and the Joint Chiefs’ requirement of a continuing secure position for U.S. troops in Japan.

This approach might be utilized in more than one way. One could be to call a peace conference inviting all the nations including Russia and China. (Present difficulties relating to recognition of China are of course recognized.) Such a call could state that Japan had done all in her power to carry out the surrender terms, entitling her to a treaty if obtainable, but also pointing out that one basic occupation objective, that of establishment of peace and security, has not yet been fully accomplished if the terms of the surrender requiring that Japan be unarmed and that occupation troops withdraw be adhered to; that this is due to no fault of Japan but to the disturbed conditions in nearby areas, which are such that Japan would be left without security. Some such reservation appears necessary to avoid an admission that there is no right or necessity to continue the occupation after Russia and China refuse to modify the surrender terms and to join in a treaty recognizing Japan’s right to agree to U.S. bases.

A simpler, more direct approach might be for the U.S. merely to announce that Japan had done everything in her power to entitle herself to a treaty, but that, without some modification of the surrender terms, this could not be achieved in a way to provide for her security, due to troubled conditions on the nearby mainland; and further stating that positions already taken by Russia had made it clear that no treaty which would realistically provide for establishment of peace and security could apparently be negotiated at the present time with Russia; that accordingly the U.S. proposed to negotiate with Japan, in company with any other friendly powers who care to join, a partial treaty covering such subjects as could be dealt with consistently with the Potsdam and Moscow agreements.

Under either approach the proposal would also contemplate the issuance by the President of the United States of an “interim directive,” under his right to do so granted by the Moscow Agreement,
which would establish as a matter of policy for the Supreme Commander that, after the treaty goes into effect, he should endeavor as far as possible consistent with the objectives of the occupation to seek to achieve such objectives through the Japanese Government, with a minimum of intervention in the Government and in a manner which would be consistent with the purposes of the treaty. This would be possible because there is no general limiting provision as to any minimum degree to which, nor as to the manner in which, the Supreme Commander must exercise his powers.

Under this plan, the “regime of control” would be continued, there would be a Supreme Commander and none of Russia’s rights under the various agreements would be violated. Further, there would be a continued clear legal right for the presence of U.S. occupation troops, and there would be no increased danger of Russia’s seeking to send troops because, if sent, they would still as at present have to be placed under the Supreme Commander, a condition which Russia has found unacceptable.

Yet, on the other hand, a state of peace would be established between Japan and the U.S. and any other friendly nations joining in such treaty; the Japanese Government could have international recognition and dignity in its relations with the signatory nations, and would possess a very large measure of sovereignty in both domestic and international affairs. It could in fact have a greater degree of sovereignty than the German Government possesses under the present occupation statute. Yet the U.S. would have the residual power residing in the inherent authority of the Supreme Commander ready to be exercised in an emergency due to war, attempted Communist coup or otherwise.

Under such a plan, the limitations on the complete sovereignty of Japan could also be clearly shown to be due to the unwillingness of Russia to participate in the negotiations for a more complete treaty.

While there would be subjects which such a partial treaty could not cover, such as reparations rights—unless the U.S. or other nations should choose to end their reparations claims as part of the treaty—and disposition of areas outside the four main islands, these omissions would not appear to interfere with achievement of the main objectives of a treaty as a solution of the present dilemma.

The above approach was submitted to Secretary Johnson on February 27th and he directed that I take this up in his behalf with the Secretary of State in a purely exploratory way, with of course no commitment being made on any one’s part.

Should the present suggestion prove to have value, the credit for it would be due in very large part to Mr. Dorr’s and Mr. Murchison’s contribution.

TRACY S. VOORHEES
The Acting United States Political Adviser for Japan (Sebald) to the Director of the Office of Northeast Asian Affairs (Allison)

SECRET

Tokyo, March 24, 1950.

Dear John: I am somewhat disturbed at the persistent and fairly effective communist party line in Japan opposing a “separate” peace and the granting of bases to the United States. The communist line is being strongly advocated not only by communist leaders such as Tokuda and Nozaka, but also by leftist Korean elements, communist front organizations, and, of course, by such communist organs as the Akahata. Additionally, G-2 has uncovered a plan on the part of the communists to raise difficulties in connection with the contemplated construction work to be undertaken by Japanese contractors on Okinawa. All this adds up to a well-directed propaganda force which is not being counteracted by us in any way.

You can well appreciate the difficulty in which I find myself when it comes to taking counter-measures to the above. In so far as I am aware, United States policy on these matters has not even crystallized to the point where we know whether base rights will be negotiated at the time of the peace negotiations, or whether in fact we will even desire bases. Nor do we know whether a peace conference will be called, and if so, whether we would go ahead without Soviet Russia (and Communist China). I have, of course, consistently evaded questions put to me by the press here on these subjects.

It seems to me, however, that something should be done, and done soon, to counteract the highly effective communist propaganda line mentioned above. I appreciate that this whole subject is one of considerable delicacy, but the communists are being so successful in crystallizing Japanese public opinion against base rights and against a “separate” peace, that unless something is done to counteract this propaganda, we may be faced with a hard, hostile public opinion in Japan when these matters are eventually raised at the time of the peace conference.

There is little of a concrete nature that I can suggest as to how this propaganda can most effectively be counteracted. There is, of course, the possibility that the subject of bases and “separate” peace might be placed in their proper perspective at one of the Secretary’s press conferences—anything said along these lines would receive good play in Japan and would, I believe, tend to explain to the Japanese just what is meant by bases and “separate” peace. Alternatively, if I had some idea of the Department’s present thinking along these lines, and advice as to how far I could go, the subject matter could easily be worked into a speech here as a trial balloon. This would undoubtedly immediately be picked up by the press and act as a
JAPAN 1155

counter to the communist (Soviet) line. (I am scheduled to give a
15-20 minute speech at a Japan-American Society luncheon on
April 28.)

Another matter which gives me considerable concern is the appar-
ent complacency with which the Occupation authorities view current
communist activities in Japan. Hardly a day goes by but that Akahata
carries an article which is in violation of the press code or which
directly or indirectly attacks the United States. Likewise, the commies
are becoming bolder in their criticism of the United States, in their
activities in the Diet, in pamphleteering, soapbox orations, and in
leading wild-cat strikes wherever possible. I do not mean to imply that
the communists have gotten out of hand, but there is no question
but that they are testing for weak spots and are working hard against
the day when their trial period comes to an end and action on a
national scale becomes possible.

There seems little doubt that the bolder and more anti-American
and anti-Occupation character of communist activities is, at least
partly, in response to the criticism the party received at the hands of
the Cominform in January. It is only too apparent, therefore, that
the propaganda lines and activities of the Japan Communist Party
have been made to conform perfectly with the over-all Soviet objective
in the Far East of undermining the position of the United States and
directing all Asiatic grievances into channels of open hostility toward
us. In this sense, we can no longer ignore the elementary fact that the
Japan Communist Party is not a bona fide Japanese organization
which should be accorded the status of a Japanese political party, but
is an agency for implementing Soviet policy in Japan.

While I appreciate that a widespread crack-down by the Occupa-
tion might not be an unmixed blessing, I am nevertheless convinced
that the Occupation should not fear criticism resulting from counter-
measures, especially against the upper communist hierarchy, in par-
ticularly flagrant cases. Any hardening of the Occupation attitude
would, of course, necessarily have to filter down from General Mac-
Arthur, who, in my limited discussions on the subject with him, has
usually brushed off the communists as gadflies and nothing more. We
are, therefore, faced with a basic decision, namely, should an attempt
be made to hold the communists strictly in line, either through the
Japanese Government or directly by the Occupation, or should we
allow matters to drift and hope that the Japanese people themselves
will solve the communist problem? I, personally, favor the former
course, but would appreciate your views on this most important
subject.

1 Documentation regarding internal affairs of the Japanese Communist party
is in file 234.001 for 1950.
Apropos of the above, I would appreciate being brought up to date on the status of the latest draft treaty and discussions on the problem of security provisions in the draft. We have had no current information on this subject for some considerable time.

Sincerely yours,

W. J. Sebald

Lot 53D444 : Secretary's Memoranda of Conversation

Memorandum of Conversation, by the Secretary of State

TOP SECRET

[WASHINGTON,] March 27, 1950.

Subject: Japanese Peace Treaty

Participants: The British Ambassador, Sir Oliver Franks
The Secretary
Mr. Jessup
Mr. Butterworth ¹
Mr. Thompson ²

The British Ambassador pointed out that the Colombo Conference provided for the setting up of a Commonwealth Working Party to discuss the question of the Japanese Peace Treaty. He said this group is scheduled to meet in London in the second half of April and Mr. Bevin wished him to inquire whether the United States Government would be able to communicate anything further on United States views on this question by that time. The Ambassador said that it was quite possible in the absence of any further indication of our thinking that views might tend to become crystallized along lines divergent from the policies which we were evolving in the United States.

In reply, I pointed out that I was not in the position to be able to answer his question. I said I had not been idle in this matter and that we were not discouraged. However, the fact is that our Joint Chiefs are away, and they are not expected to return before about the middle of next month. Several of them are going to London and will be talking with the British Chiefs. We did not know exactly what they would discuss, but if they did touch on this question, that might be helpful.

I said I wished to add that I believed it important that we not be put in any public position of blocking the Japanese Peace Treaty. This role was now being filled by the Russians, and I thought it im-

¹ On March 27 the Department announced that Dean Rusk was replacing Mr. Butterworth as Assistant Secretary of State for Far Eastern Affairs and that the latter, retaining the title of Assistant Secretary of State, would henceforth devote full time to Japanese matters. Additional information is in the Department of State Bulletin, May 8, 1950, p. 742. For Mr. Acheson's account of this change, see his Present at the Creation (New York: W. W. Norton, 1969), pp. 421-432.

² Llewellyn E. Thompson, Jr., Deputy Assistant Secretary of State for European Affairs.
portant that they continue to fulfill this function. I did undertake
to get in touch with the Ambassador as soon as we had anything fur-
ther to communicate on this subject.

694.001/3-3150

Memorandum by the Special Assistant to the Secretary (Howard)
to the Minister in France (Bohlen)

TOP SECRET

[WASHINGTON,] March 31, 1950.

For your background information in considering the proposal in
the attached paper, I would like to give a brief résumé of what has
transpired since last September when Mr. Bevin proposed to the Sec-
retary that it might be necessary to proceed without the USSR in
order to have a Japanese peace treaty and suggested that U.S. forces
remain in Japan in the post-treaty period pursuant to a bilateral base
agreement between the United States and Japan.

The Secretary, at the approval of the President, asked the Defense
Department for a statement of what the U.S. military requirements
would be in the event that a peace treaty and bilateral base agreement
with Japan were to be negotiated. Instead of a direct response to this
request Under Secretary of the Army Voorhees became involved for
a considerable period of time with the study of the legal problems
involved in the termination of the occupation without Soviet par-
ticipation. Eventually in late December the JCS gave their reply
that they still regarded a peace treaty as premature. The essence of
the JCS opinion is that a peace treaty is premature because of two
mutually exclusive military requirements: (1) the requirement of
U.S. security that U.S. forces continue to be based on Japan for an
indefinite period and (2) the requirement that any peace treaty must
be signed also by the USSR and the de facto government of China.
The Secretary met briefly with the JCS after receiving their reply
and gave as his offhand reaction that in view of the mutually exclusive
character of these requirements during the indefinite future the JCS
opinion would appear to be of a long-term character and their con-
clusion that the peace treaty is premature was a masterpiece of
understatement.

In conjunction with the JCS opinion—and illuminating some of the
thinking underlying it—Tracy Voorhees proposed to the Secretary
and subsequently to General MacArthur the adoption of a "standby
SCAP" arrangement. That is, there would be no peace treaty because
of the security risks involved in proceeding without the USSR but the
conditions of a peace would be approximated by the unilateral action

1 Not found. Presumably a copy of the attachment to Mr. Howard's memo-
randum of March 9 to Mr. Butterworth, p. 1140.
of SCAP in ceasing to exercise his day-to-day detailed controls over the Japanese Government, while maintaining his reserve powers for use in the event of an emergency arising from a Soviet attack, a communist uprising, or otherwise. The central legal problem which preoccupied Voorhees and the JCS appeared to be that on conclusion of a separate peace treaty the USSR would then be free, and with plausibility, to act as if Japan had violated its surrender terms in permitting U.S. forces to remain in Japan contrary to the Potsdam Declaration and would engage in harassing activities against Japanese shipping, etc., and might even declare that hostilities with Japan were restored. Considerable point was made of the security risk to U.S. troops in Japan under these circumstances which they regarded as analogous to our lack of complete legal rights to access to Berlin which they say brought about the Berlin blockade and airlift. The Secretary's reaction was that Soviet moves would be prompted not by such legal considerations but rather by the political and power relationships between the USSR and the United States.

While awaiting receipt of the JCS reply we had been exploring the relationship of a bilateral base agreement to a peace treaty, the content of the two and the political consequences in Japan, the Far East and elsewhere of such a U.S.-Japanese base agreement. The principal disadvantages of a base agreement were that: because of the uncertainties in the situation it was necessary for the U.S. military to maximize its military requirements in such an agreement; the nakedly military U.S. posture in Japan might have adverse political consequences among the peoples of Japan and the Far East; the Japanese Government would be subjected to an all-out Soviet-Communist propaganda campaign of having sold out the Japanese people to U.S. imperialism; and complete termination of SCAP controls might increase Soviet and Chinese Communist capabilities of increasing their influence over Japan.

With these difficulties in mind we developed an alternative approach. On the assumption that it was not feasible at the present time to work out a satisfactory solution of the security problem but that it was feasible to solve most of the political and economic problems generally dealt with in a peace treaty, we worked out a so-called agreement for the restoration of normal political and economic relations with Japan which would restore Japan to a state of peace and permit its re-entry into the family of nations but would retain the wartime legal agreements as authority for the continued activities of SCAP in security matters (the rationale being that the long term and very general security objectives of the Potsdam Declaration had by no means been achieved as yet). This proposal was discussed with the Secretary whose reaction was that it overstressed the importance of the legal problems involved and would appear to involve a change in the regime of control.
and would therefore be subject to the Soviet charge that the wartime agreements were being violated. It was also felt that, although this compromise approach might provide a second line of defense, to make it our initial proposal would arouse the suspicions of our allies that we intended to remain in Japan indefinitely under the occupation.

Accordingly, a new approach was taken with the following objective: On the one hand to conclude a “normal” type of peace treaty dealing with economic and political problems, and security problems insofar as they related to the possible resurgence of Japanese aggression, and on the other hand to develop that type of security arrangement in relation to possible Soviet-Communist aggression which would appear most satisfactory from the standpoint of U.S. security in relation to Japan. This approach opened for the first time the possibility of a Pacific pact, which had been previously regarded as contrary to U.S. policy. The type of pact which had the greatest appeal was an “off shore” Pacific pact which did not involve U.S. military commitments with respect to the Asian mainland. Such a pact was briefly discussed with the Secretary, who thought there were possibilities along these lines and he asked that the matter be further developed and a memorandum be prepared for submission to the NSC. The attached memorandum is a statement of the Department’s position concerning such an offshore Pacific pact. (As a matter of tactics a much briefer version of this memorandum would be submitted to the NSC for its approval.)

The attached proposal has by no means been fully cleared in the Department. The primary objections which have been raised against the pact involve the adverse effect of exclusion of the UK and France upon our general relations with those countries—for this reason it appears that it would probably be necessary to include the UK and France in some way; the difficulty in leaving the Near East as the one major non-Communist area of the world not covered by such a pact; and the adverse psychological consequences in the countries of South East Asia of their exclusion from the U.S. security commitments under the arrangement—for this reason it is universally agreed that the problem of French Indo-China would have to be taken care of separately and in advance of the conclusion of any Pacific pact.

I am also attaching a brief memorandum 2 suggesting a refinement of the Pacific pact proposal to help meet some of the above objections. It does not appear that this proposal does adequately satisfy the above three objections however. Tommy Thompson 3 has suggested for example that the character of the commitment in such a pact should be first, to defend Japan against attack and second to defend one another

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2 Of March 30, not printed.
3 Llewellyn E. Thompson, Jr.
507-851—76—74
against attack by Japan, with the scope of membership including Korea and the South East Asian countries. Although this alternative is being explored it does not offhand appear to be very desirable from the standpoint of the Japanese who would regard the purpose of bases as being to keep Japan down during the indefinite post-treaty period. It is also possible that the U.S. military would not be prepared to extend U.S. commitments on to the Asian mainland even in the limited form suggested. However, these points are being explored.

The latest proposal of the Defense Department is almost identical with our economic-political agreement referred to above (p. 2, second full paragraph).4

4 The last paragraph is handwritten.

Editorial Note

In Press Release No. 323 of April 6, 1950, the Department of State announced the appointment of John Foster Dulles as Consultant to the Secretary of State. Full text of the release is printed in Department of State Press Releases, 1950, under date. For a partial text, see Department of State Bulletin, April 24, 1950, page 661. Mr. Dulles’ appointment became effective April 19.

Text of Secretary Acheson’s statement of April 6 regarding the status in the Department of Mr. Dulles, Ambassador Jessup, and John Sherman Cooper, also a Consultant to the Secretary, is ibid., page 662.

An unsigned memorandum of a telephone conversation held April 6 between Michael McDermott, Special Assistant to the Secretary for Press Relations, and Charles Ross, Press Secretary to the President (then in Key West, Florida) reads in part:

“[Mr. Ross] said President is looking for somebody who is concerned with the peace treaties who will be working on a global scale but with particular reference to Japan. According to President's understanding, that job is yet to be filled and looking for a man to fill it, and President said that need not necessarily be a Republican. He wants the best man.”

This paper and its attachments contain additional information regarding the background to Mr. Dulles’ appointment. (110.17 DU/4-650)

Documents in file 110.17 DU for the first half of April 1950 indicate that leading officials of the Department were considering Mr. Dulles for a variety of assignments, including several having to do with Far Eastern questions.
In a memorandum to the Secretary of April 18 Mr. Rusk stated in part:

"The following are my suggestions about how we might best use Mr. Dulles, subject to his own views and the availability of his time:

1. First Priority should be given to the development of a bipartisan position on the Japanese Peace Settlement. Mr. Butterworth has made good progress on this in the past two weeks and the subject lends itself to an initial bi-partisan agreement on a matter which has not become a bone of partisan contention. Mr. Dulles should be brought fully into this operation in order to be in position to take a leading role in the international negotiations which would be required."

Other possibilities mentioned by Mr. Rusk were, in descending order of priority, the development of an agreed bipartisan foreign policy toward the Far East as a whole, an examination of United States strategy in the forthcoming session of the United Nations General Assembly, a reexamination of the Department's information program, and examination of a number of proposals for further steps in international organization. (110.17 DU/4–1450)

On May 18, upon the nomination of Mr. Butterworth to be Ambassador to Sweden, Mr. Dulles succeeded to the former's special responsibilities regarding a Japanese settlement.

694.001/4–750

Memorandum of Conversation, by the Special Assistant to the Secretary (Howard)

TOP SECRET

[NEW YORK.] April 7, 1950.¹

Subject: Japanese Peace Settlement

Participants: Mr. John Foster Dulles
               Mr. W. Walton Butterworth, S/J
               Mr. John B. Howard, S

I. Review of Background

Pursuant to Mr. Dulles' request to be briefed on the Japanese peace settlement problems, Mr. Butterworth and Mr. Howard went to New York for this purpose and met with Mr. Dulles for about four hours.

[Here follows the oral briefing given Mr. Dulles.]

III. The Views of Mr. Dulles

Mr. Dulles said that the neutralization arrangement proposed by Walter Lippmann did not make any sense to him in the case of Germany and, although he knew less about Japan, it seemed to him lack-

¹ Date of conversation; the memorandum was prepared April 11 in Washington.
ing for similar reasons in its application to Japan. Neutrality had no meaning for the Russians.

With regard to bases, Mr. Dulles seemed somewhat unaware of the JCS interest in having bases on Japan proper as well as on Okinawa. He said that he was in general skeptical about the future utility of small bases scattered around the world. It was his impression that the Air Force would rely increasingly on land-mass bases such as those on the North American continent. He could, however, appreciate the usefulness of bases spread out over a considerable area such as we have in the UK. Bases on Japan proper might be comparable to these. Nevertheless bases in a hostile country would be useless and the Japanese must be willing, as were the British in the case of the UK, to request the United States to establish bases on Japan. Mr. Dulles showed no indication that he had any predisposition as to the necessity for bases but rather regarded this as a technical military problem. He was prepared to envisage an arrangement either with or without bases on Japan proper. As for the Ryukyus his views were the same as those of the Department, that an ordinary trusteeship would be as satisfactory as a strategic trusteeship.

Mr. Dulles expressed grave doubts about a Pacific Pact. His views as to the drawbacks in an extension of an Atlantic Pact type of commitment to the Pacific and the Near East coincided with those of the Department. He recalled his vivid impressions of the difficulties with the countries excluded from the Atlantic Pact and the enlargement of membership before the Pact was finally concluded. He said that such difficulties were inevitable when the United States through such pacts sought to draw lines which included some countries and excluded others. Discussing this problem he remarked incidentally that if an actual Soviet armed aggression took place anywhere in the world—he then chose Iran in illustration—the United States would inevitably have to go to war. He did not anticipate such an attack so long as the USSR continued to be so eminently successful in achieving its objectives by means of indirect aggression.

In explaining the lack of appeal which a Pacific Pact had for him, he recalled his meeting at Blair House with General Marshall, Mr. Lovett, and Senator Vandenberg when an Atlantic Pact was first discussed. On that occasion he proposed in lieu of an Atlantic Pact a U.S. policy declaration like the Monroe Doctrine. Nevertheless in his testi-

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2 For text of the North Atlantic Treaty, signed at Washington April 4, 1949, see Department of State Treaties and Other International Acts Series (TIAS) No. 1964, or 63 Stat. (pt. 2) 2241.

3 Refers possibly to a meeting held April 27, 1948. For text of Mr. Lovett’s memorandum of this conversation, see Foreign Relations, 1948, vol. III, p. 104.

George C. Marshall was then Secretary of State. Robert A. Lovett was Under Secretary of State, Arthur H. Vandenberg of Michigan was Chairman of the Senate Foreign Relations Committee, and Mr. Dulles was a member of the United States Delegation to the U.N. General Assembly.
mony in the Senate he supported the Atlantic Pact out of loyalty. With regard to the Military Assistance Program, he said that it was his belief that the efficacy of military assistance lay almost entirely in the promotion of internal security. It is his belief that the primary source of external security for the other members of the Atlantic Pact lies in the strength of the United States.

With regard to a protocol on security with respect to Japan that would constitute a multilateral endorsement of a U.S.-Japan base arrangement, Mr. Dulles showed no great enthusiasm for the proposal and seemed to concur in our views concerning its weaknesses.

With regard to the stand-by SCAP arrangement and the limited political and economic treaty, Mr. Dulles felt that Messrs. Voorhees and Dorr were highly exaggerating the legal difficulties involved, which he regarded as none of the concern of the Defense Department. He said that Mr. Dorr had been quite troublesome at Paris, was technically-minded and time-consuming. He indicated appreciation that these arrangements might fall short of meeting the requirements of the opinion of the Japanese and our Allies under present circumstances.

Mr. Dulles seemed immediately to be favorably disposed toward the proposed agreement whereby Japan would be defended against attack and the participating countries would defend one another against attack by Japan. He asked if we had a draft of the proposal with us. A draft was shown to him and he gave it his careful consideration. The manner in which he discussed the draft and the detailed character of his suggestions, which are given below, indicated that he was in general accord with the proposal and at the conclusion of our discussion of the draft he said that he thought that we were "on the right track". He inquired more than once into the timing contemplated and was told that the timing was largely determined by the necessity for having a U.S. position before the Secretary left for the May 8 meeting of Foreign Ministers and that the timing of NSC action would importantly depend on how long exploratory discussions with the National Military Establishment, particularly the Joint Chiefs, took. Mr. Dulles, who was about to depart for a two week vacation in a rather inaccessible part of Canada, said that although he believed we were on the right track, he did not want to be committed to something which was firmed up in detail in his absence, especially while on vacation. He said that he would be perfectly willing to come to Washington before the end of the two weeks and asked to be notified if this were necessary, allowing several days for communication and

*Documentation on the meetings of Foreign Ministers of France, the United Kingdom, and the United States held in London May 11-13, 1950, is scheduled for publication in volume III.
travel. He said that arrangements to notify him could be made through his New York office.

Mr. Dulles' Comments on Draft Agreement on Security With Respect to Japan

The rough draft shown to Mr. Dulles contained in Article I a mutual agreement to respect territorial integrity and political independence and to settle disputes by peaceful means. In Article II the parties agreed to consult whenever the security of Japan was threatened from any source. In Article III the parties agreed that an armed attack against Japan would be considered an armed attack against them and that they would assist Japan, using armed force if necessary. This article further provided that Japan and one or more of the powers which furnished forces under SCAP shall conclude an agreement concerning the use of facilities in Japan to carry out the purposes of the article. In Article IV the parties reaffirmed their confidence in the peaceful disposition of Japan but nevertheless undertook to regard an attack by Japan on one party as an attack on them all and undertook to give assistance to the party so attacked. It was explained to Mr. Dulles that this was a very rough draft, more in the nature of an outline setting forth the essential principles and undertakings.

Mr. Dulles' first comment was that the Atlantic Pact type of commitment to defend Japan against attack would be regarded as somewhat anomalous by our Allies because Japan, an ex-enemy country, would be obtaining a U.S. commitment which every one of our friendly Allies coveted. Mr. Dulles said that the one-for-all and all-for-one commitment of the Atlantic Pact was regarded in the Senate as indicative of a very intimate relation among the nations involved. Judging by his experience in the Senate at the time of the Atlantic Pact he doubted that the Senate would be willing to have the United States engage in a similar "brotherhood" undertaking with respect to Japan. He compared the commitments in the Atlantic Pact and the Rio Treaty, pointing to the less direct reference to the use of armed force in the Rio Treaty and the greater emphasis upon consultation. Because of this difference he said the Senate regarded the Atlantic Pact as carrying an obligation to use armed force in the event a member were attacked, whereas under the Rio Treaty no such obligation was automatically brought into force by an attack against one of the parties. Mr. Dulles suggested that the Article III commitment with regard to an attack upon Japan might be rephrased to make the commitment to use armed force less automatic.

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5 Not found in Department of State files.
Mr. Dulles said that he did not think the Senate would approve a commitment to defend Japan of indefinite duration. He was told that a time limit was contemplated, but the specific nature of the time limit had not been fully explored.

Mr. Dulles suggested that the commitment to defend one another against an attack by Japan should precede rather than follow the commitment to defend Japan against attack. He said that, although the present order was obviously preferable to the Japanese, the order which we should envisage is to satisfy first of all the American Congress, for Senate ratification was essential, then our Allies and the Japanese.

He suggested that reference to Japan’s constitutional renunciation of war might be useful as “scenery” in relation to the undertaking to defend Japan against attack. Mr. Howard said that such a reference was contemplated, possibly in a preamble which had not yet been drafted, as well as a reference to the role of the occupying forces in insuring Japan’s security under the occupation in relation to the provision for conclusion of a base agreement between Japan and one or more of the powers which furnished such forces. Mr. Dulles said that these two points would be helpful as scenery in getting the agreement adopted.

Mr. Dulles suggested that in the sentence of Article III now reading, “It is mutually agreed that Japan and one or more of the powers which furnished forces under SCAP shall conclude an agreement concerning the use of facilities in Japan” etc, the word “will” would be better than the word “shall”.

Mr. Dulles concurred in the desirability of obtaining General MacArthur’s views concerning the proposed agreement in conjunction with NSC consideration. He suggested however that the proposal submitted to General MacArthur should be less acceptable to the Japanese than the agreement we had in mind. He referred to his experience with General Clay, who was inclined to judge every proposal in terms of whether the Germans would like it and he felt that General MacArthur might have the same inclination in regard to the Japanese. He said that General Marshall had referred to this phenomenon, which he ran into as Chief of Staff during the war, as “localitis”.

With regard to the question of scope of signature, Mr. Dulles favored opening signature to any nation that wished to join rather than restrict membership to the FEC countries and Japan. He did not seem to think that such an extension of the U.S. commitment in respect to an attack by Japan would be objectionable to the JCS.

Mr. Butterworth pointed out that one of the advantages of an agreement of the type under discussion was that it might be possible with such an agreement to omit from the peace treaty any undertaking
by Japan to remain disarmed. Our Pacific allies which were concerned about Japanese aggression would be taken care of by the commitment of the United States to defend them against an attack by Japan, whether armed or disarmed.

Lot 56D527: Office of Northeast Asian Affairs

Memorandum of Conversation, by the Counselor of the Mission in Japan (Huston)

SECRET

[Tokyo,] April 8, 1950.

Subject: American Military Bases in Japan.

Participants: Prime Minister Shigeru Yoshida
Mr. Cloyce K. Huston

In an after-dinner conversation at his residence yesterday evening, Prime Minister Shigeru Yoshida spoke rather freely on the question of American military bases in Japan in the post-treaty period. He began by narrating the story of his assumption of the leadership of the Liberal Party and by saying that he was soon going to undertake a speaking tour in the Osaka district in connection with the campaign for the House of Councillors elections next June, in which he hoped to increase the Liberal Party seats from sixty to a hundred in order to attain what he called “a working majority”.

When I asked him what the principal issues of the campaign would be, he replied that the principal domestic issue would be taxation, but that the people would be asking many questions on the subject of a peace treaty and the problem of security for Japan.

The Prime Minister then spoke along the lines of his recent replies to various interpellations in the Diet, in which he has maintained consistently that Japan should not abandon its renunciation of war, as Japanese disarmament provides the best means of ensuring the country’s future security, and that during the Occupation the Japanese have no right to interfere with the construction of military bases or such other facilities as SCAP finds necessary. In the post-treaty period, he said, Japan must rely upon the United States for protection as it will possess no armaments of its own.

Repeating frequently the expression “I tell our people”, he said humorously that when it is objected that Japan will become a colony of the United States, he always replies that, just as the United States was once a colony of Great Britain but now is the stronger of the two, if Japan becomes a colony of the United States, it will also eventually become the stronger! Then, speaking more seriously, he said that

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1 One hundred and thirty-two of the 250 seats in the House of Councillors were at stake in the election held June 4. The Democratic Liberal Party increased its representation to 76.
naturally the United States did not wish Japan to become a colony or a satellite, but that the Soviet Union would be a great danger to Japan if left unprotected [sic]. He then continued to speak quite volubly on the general subject, avoiding any specific commitments, but always allowing the inference that he would be favorably disposed toward whatever practical arrangements the United States might consider necessary in order to assist Japan in the maintenance of her security in the post-treaty period. He definitely avoided any flat statement, however, that he would favor American military bases in Japan after the treaty.

The Prime Minister then shifted the conversation to the subject of China, expressing and reiterating in many different ways his belief that China would never become a slave of the Kremlin. Referring to centuries of Chinese history, the character of the Chinese people, their consistent successes in the past in thwarting efforts at domination or absorption, and their superiority to the Russians in intelligence, cleverness, and political astuteness, he declared that he had every confidence in the outcome. The Chinese, he concluded, will be “too much for the Russians”.

CLOYCE K. HUSTON

Lot 54D423: J. F. Dulles Japanese Peace Treaty File

Memorandum by the Director of the Office of Northeast Asian Affairs (Allison) to the Assistant Secretary of State (Butterworth)

SECRET

WASHINGTON, April 11, 1950.

[Subject:] United States Bases in Japan.

Reference is made to my memorandum to you of April 10\(^1\) on the above subject, and, particularly, to the last paragraph wherein it is recommended that General MacArthur’s views be obtained prior to placing the proposal for United States bases in Japan before the NSC. There is attached hereto a copy of the Memorandum of Conversation between General MacArthur and Mr. Sebald on this subject which arrived just after my memorandum to you had gone forward.

According to Mr. Sebald, General MacArthur believes that American bases are unnecessary in Japan, that American insistence that bases be granted would only cause an eventual anti-American reaction on the part of the Japanese people and that insofar as the United States is concerned the real bastion of defensive strength should be Okinawa. General MacArthur also expressed the opinion that 95 percent of the Japanese people are opposed to American bases in Japan and that unless a whole-hearted request for American troops and bases is made by the Japanese, the entire proposition should be abandoned.

\(^1\) Not printed, but see footnote 3, p. 1169.
In the same mail bringing Mr. Sebald's report on his conversation with General MacArthur, there also arrived an advance copy of the study prepared by PolAd, Tokyo, on the whole question of American military bases in post treaty Japan in which much the same conclusion is reached as in my memorandum of April 10, although PolAd's study goes into much more detail and makes more specific recommendations. It is a document of some 24 pages which in due course will be processed in the Department for normal distribution. However, there is given below a brief outline of the conclusions reached and of the suggestions put forward.

Mr. Sebald's study makes the following conclusions:

1. Any suggestion that Japan might provide for its self-defense through rearmament in the immediate post treaty period must be rejected.

2. United States must, in view of its public undertakings be prepared to take positive steps to bring about future assurances of Japanese security.

3. With respect to military bases in Japan, the existence or degree of military necessity is, at least, uncertain and military necessity should not be controlling; rather the Nation's foreign policies should be determined on the basis and principles of ideals of the American people, and military planning and strategy should be made to conform thereto. Therefore, PolAd believes that the decision as to whether the United States should seek to retain military bases in Japan in the post treaty period should not be taken solely on the basis of military need but should be made wholly compatible with American concepts of sound, principled and defensible national policy.

4. PolAd accordingly believes that the United States should not take the initiative in negotiating a separate agreement with Japan for post treaty bases and it is believed entirely feasible to elaborate plans whereby Japanese security may, without any significant sacrifices of legitimate United States defense interests, be provided for through either (a) an international guarantee of protection or neutrality to be implemented through suitable international controls or (b) the granting by the United States of a Japanese request of military protection.

PolAd then discusses in some detail how his recommendations may be carried out and suggests that if it should prove impossible to obtain a general international guarantee (although PolAd apparently believes this possible), it might be entirely logical and reasonable for the Japanese during the immediate post treaty period while the American troops were being progressively withdrawn to come to their realization for outside assistance and quite genuinely and voluntarily request the United States for protection. PolAd believes that any negotiations for military assistance to Japan should be entered into only on the initiative of the Japanese through a request that clearly represents the will of the Japanese people. PolAd also

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*Not printed.
suggests that the President or the Secretary of State seek an early opportunity to make a public statement to the effect that the United States has no desire to maintain military bases in Japan as a part of its own system of defense and would not of its own accord seek to establish such bases in Japan unless required to do so in fulfillment of its United Nations obligations or in response to a request of the Japanese Government which is clearly representative of the will of the Japanese people.

In my opinion the essential points which evolve from a reading of PolAd's despatch and a report of General MacArthur's views are that in support of my memorandum of April 10 to the effect that the possibility and desirability of obtaining American bases in post-treaty Japan is extremely questionable and that some other solution to the security problem should be attempted. It remains my belief that a policy as outlined in the enclosure of my memorandum of April 10 offers the best basis for a solution to the problem and it is recommended that a close study be made of a possibility of combining the approach there suggested with that found in PolAd's despatch herein summarized. 3

*In the paper in question, Mr. Allison had said in part:

"It is possible, in short, that if the U.S. announced that it considered bases in Japan to be essential for the security of Japan and the Far East generally, such bases to be for a limited period renewable only with Japanese consent, and if General MacArthur expressed his strong support for this position, Yoshida would be willing to seek Diet approval of the idea and would be able to obtain that approval, with substantial popular backing. It seems clear, however, that this result is not assured, and that in the best of circumstances a heated political battle will occur in which a sizeable proportion of the population will oppose U.S. bases. Chances of the Yoshida Government's publicly inviting the U.S. to establish bases in Japan on the private suggestion of the U.S. Government and General MacArthur seem extremely remote. In these circumstances, and with the importance which has, rightly it is believed, been placed on securing not merely preponderant Japanese approval but also Japanese initiative for U.S. bases, it would seem that the U.S. should examine very carefully whether bases in the Ryukyus and enunciation of a "Monroe Doctrine" for Japan would not suffice. Attached is a draft U.S. statement indicating how a plan along these lines might be implemented.

"If this plan is not militarily possible, or if it is not politically feasible (exposing the Department to the charge of "throwing Japan after China"), a semi-politico-economic treaty, or failing that, a continued, modified occupation, may be the only course open to us. At the very least it would seem that we should get General MacArthur's views on the aspects of the problem discussed above before placing a bases proposal before the NSC."

In the mentioned draft statement, Mr. Allison assumed a conference (at United States initiative) of all FEC powers to "consider" a peace treaty, towards which the United States would... take the following stand:

"1. Japan shall remain disarmed for a substantial period of time at the expiration of which the Japanese Government and the Governments signatory to a Peace Treaty with Japan shall determine whether and to what extent it may be advisable for Japan to resume the burden of her own self-defense.

"2. The present Allied Occupation Forces in Japan shall begin, not later than six months after the ratification of a Treaty of Peace by a majority of the signatories, a phased withdrawal from Japan to be finally completed within a period of three years unless in the meantime alternative satisfactory arrange-
SECRET

MEMORANDUM OF CONVERSATION

Tokyo, April 6, 1950.

Subject: American Bases in Japan
Participants: General MacArthur
            Mr. Sebald

Among other subjects discussed with General MacArthur during the evening of April 5, was the subject of possible American bases in Japan. General MacArthur voluntarily referred to his opposition to having bases in Japan. He said that from the beginning he felt that it would be a mistake to continue the presence of American troops in Japan, but that he had to a certain extent agreed to keeping a small number of bases here under pressure from the Pentagon. Viewed in the proper perspective, General MacArthur said, bases are unnecessary in Japan and American insistence that the right of bases be granted would only cause an eventual anti-American reaction on the part of the Japanese people. On the other hand, should the Japanese Government as representative of the Japanese people formally request the retention of U.S. troops and the maintenance of bases as may be necessary, no objection would arise, especially if the bases were granted for a limited period, say, five years.

General MacArthur continued by saying that the maintenance of American bases here after a Treaty of Peace would act like a lightning rod to attract opposition to this concept from all quarters, including the Japanese. He felt that 95% of the Japanese people are opposed to American bases in Japan and that unless a wholehearted request for American troops and bases is made by the Japanese, the entire proposition should be abandoned.

I said that I had just prepared a study on this question for the Department and had arrived at almost identical conclusions, except that I felt that the period for bases should be three years and that renewals should be made at the request of the Japanese Government.

Footnote continued from preceding page.

ments for Japan's defense shall be concluded through the United Nations or otherwise thus making possible more speedy conclusion of withdrawal of occupation forces.

3. United States forces shall continue in occupation of bases in the Ryukyus from which they will be in a position to ensure against the revival of aggressive elements in Japan or be able to come to the defense of Japan should that be necessary. At an appropriate time the United States will make application to the United Nations for a trusteeship for the Ryukyus with the United States as the administering power.” (Lot 54 D 423)

4 In a memorandum of May 9, not printed, which summarized several months' developments with regard to a Japanese peace treaty, Robert A. Fearay of the Bureau of Northeast Asian Affairs indicated that previous to this conversation General MacArthur had been understood in the Department to favor United States post-treaty bases in Japan. (694.001/5-950)
for some stated period, such as one year at a time. I also said that I did not quite agree with the 95% figure, as the Japanese are somewhat divided concerning this question. On the whole, however, I said that my concept regarding American bases in Japan is identical with that of the General.

General MacArthur then reverted to his previous theory of a tight guarantee of Japan's integrity and sovereignty by all the Powers concerned, a guarantee which should be placed under the United Nations framework. He said that he could think of no stronger force than that of world opinion back by a clear United States determination to enforce the guarantee. In his opinion, this would be a much stronger method of insuring Japan's security than would be the placing of a garrison of, say, 35,000 troops in Japan which could easily be overrun by Soviet Russia almost at will. He felt that strategically Japan is a weakness rather than a strength in so far as the United States is concerned, and that the real bastion of defensive strength should be Okinawa.

W. J. Sebald

694.001/4-1250

Memorandum by the Assistant Secretary of State (Butterworth) to the Secretary of State

SECRET

[WASHINGTON,] April 12, 1950.

At Mr. Webb's suggestion, I am putting in written form to you the recommendation which Mr. Howard and I discussed with him that as soon as possible, preferably before the end of this week, you arrange with Mr. Johnson for a meeting with him and the Joint Chiefs of Staff to discuss the pressing question of the Japanese peace treaty.1 You will recall that at your last meeting with Mr. Voorhees he vouchsafed the opinion that it was desirable that you meet with the JCS though, of course, he had particular reference to the legal implications of a treaty without participation of the USSR and Communist China.

It seems to us not unlikely that there is a wider area of agreement between the JCS and the Department than appears from the JCS paper of December 22. At any rate, it is essential to have an exploratory talk before there is submitted to the National Security Council a Departmental recommendation.

We would need one meeting with you which need not last an hour before your meeting with the Secretary of National Defense and the

1 For Mr. Howard's memorandum of this meeting, held April 24, see p. 1175. For Secretary Acheson's comments on the meeting, see Present at the Creation, pp. 430–431.
JCS. Before the former meeting, we would have prepared a suggested
number of questions which you might care to put to them.²

Since the conversation with Mr. Dulles, we have had a number of
meetings at the Assistant Secretary level on the draft of the security
arrangements which will be ready in tentative form for our meeting
with you.³

²Extensive briefing memoranda, not printed, including the mentioned list of
questions for the JCS, were prepared by Mr. Howard and Mr. Butterworth
and were forwarded by the latter to the Secretary under cover of a memorandum
of April 17, not printed (694.001/4–1450 and 694.001/4–1750). However, in a note
of the 18th to Mr. Battle, Mr. Butterworth said that at a meeting that day
with the Secretary, it had been agreed the latter would take with him to the
meeting only Mr. Johnson’s letter to him of December 23 (with enclosed JCS
memorandum of December 22) and Mr. Voorhees’ memorandum (with en-
closures) of March 23 (694.001/4–1850). For Mr. Johnson’s letter and enclosure,
see Foreign Relations, 1949, vol. vii, Part 2, p. 322. For Mr. Voorhees’ memo-
dandum, see p. 1150.
³Mr. Howard’s draft of a security arrangement dated April 17, not printed,
was included in the briefing memoranda mentioned in the preceding footnote.
A later draft of April 19 is printed infra.

694.001/4–1950

Draft¹ of Security Agreement by the Special Assistant to the
Secretary (Howard)

TOP SECRET

[WASHINGTON,] April 19, 1950.

AGREEMENT ON SECURITY WITH RESPECT TO JAPAN

ARTICLE 1

The Parties agree to respect the territorial integrity, political inde-
pendence and security of one another and, as set forth in the Charter
of the United Nations, to settle any international disputes between
them by peaceful means and refrain in their international relations
from the threat or use of force in any manner inconsistent with the
purposes of the United Nations.

ARTICLE 2

The Parties other than Japan agree that in case Japan, acting in
concert with another power or independently, commits an act of
aggression against one or more of the other Parties, each of them
will assist in defending the state or states which are the victims of
aggression by taking forthwith, individually and in concert with
other Parties, such action consistent with the provisions of the Charter

¹This is the last draft of the security agreement prepared in the Department
prior to the Secretary’s meeting with Secretary Johnson on April 24; however,
it is not certain this draft was forwarded to Mr. Acheson. See also the document
and notes supra.
of the United Nations as it deems necessary to restore and maintain the security of such state or states.

ARTICLE 3

It is mutually agreed by all the Parties that in case an act of aggression is committed against Japan from any source, each of the Parties will assist in defending Japan by taking forthwith, individually and in concert with other Parties, such action consistent with the provisions of the Charter of the United Nations as it deems to be in accordance with its capacity and necessary to restore and maintain the security of Japan.

[The Parties note the provisions in the Japanese Constitution relative to the renunciation of war and the use of armed forces and agree that Japan and one or more of the powers which have heretofore furnished forces under the Supreme Commander for the Allied Powers will conclude an agreement concerning the use of such facilities in Japan as may be required for the purpose of effectively carrying out their responsibilities under this Article.]*

ARTICLE 4

It is agreed by all the Parties that they will, from time to time, review the conditions affecting security with respect to Japan. It is further agreed that the Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of them is threatened by aggression referred to in Article 2 or 3.

ARTICLE 5

Any act of aggression referred to in Article 2 or 3 and all measures taken as a result thereof shall immediately be reported to the Security Council of the United Nations and any measures of self-defense shall be terminated when the Security Council has taken the measures necessary to restore international peace and security.

ARTICLE 6

This agreement shall remain in force for twenty years.

Signature is open to the powers initially negotiating the peace treaty and Japan.²

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*This provision would be included if bases on Japan are determined to constitute a United States military requirement. [Footnote and brackets in the source text.]

² A memorandum of April 14 titled "Outline of Peace and Security Settlement," not printed, which was among those materials transmitted to the Secretary by Mr. Butterworth on April 17, read in part: "The Department suggests for consideration a multilateral security arrangement participated in by the powers which initially negotiated the peace treaty and Japan. The former would perhaps include the United States, the United Kingdom, France, possibly the Netherlands, Canada, Australia, New Zealand and the Philippines." (694.001/4-1450)
Memorandum of Conversation, by the Director of the Office of
Northeast Asian Affairs (Allison)

SECRET

[WASHINGTON,] April 19, 1950.

Subject: Japanese Peace Treaty

Participants: Mr. H. A. Graves, Counselor, British Embassy
Mr. W. Walton Butterworth, Assistant Secretary of State
Mr. John M. Allison, Director, Office of Northeast Asian Affairs

Mr. Graves called at his request to inquire whether or not there was anything Mr. Butterworth could tell him prior to the opening meeting in London of the Commonwealth Committee on a Japanese Peace Treaty. Mr. Butterworth pointed out that the Department had been wrestling with the problems outlined in the aide-mémoire the Secretary had given the British Ambassador on Christmas Eve and that, while there was nothing definite he could tell him at this time, the Department had not been idle, and everyone, including the Secretary, hoped that it would be possible to give the British a more definite indication of our thinking, if not at the opening of the Commonwealth Committee deliberations, at least at the time the Secretary sees Mr. Bevin in London next month. Mr. Butterworth explained that shortly after the Joint Chiefs returned from Japan, where they had discussed the matter with General MacArthur, they had departed for Europe and hence it had not been possible to come to any final agreement as yet with them.

Mr. Graves asked for suggestions as to what the Commonwealth Committee might most usefully concern itself with in the absence of any definite indication of United States views. Mr. Butterworth recalled Mr. Graves' report of a conversation with Mr. Voorhees of the Department of the Army in which Mr. Voorhees had, according to Mr. Graves, expressed the concern of the military over the legal position the Soviet Union would be in should it not sign a peace treaty with Japan which was signed by other members of the FEC and the possibility that the USSR would use its position to harass Japanese shipping and fishing vessels on the high seas. Mr. Graves seemed to feel that the USSR would govern its actions more by its assessment of the power relationship of itself and the United States, rather than by the strict legalities of the situation, but it was agreed that this possibility might be one which could be explored by the Commonwealth Committee. In this connection, it was further suggested that

the Commonwealth Committee might look into the whole problem of proceeding with a peace conference either without the USSR in attendance from the beginning or one from which the USSR withdrew during the course of the conference. It was made clear to Mr. Graves that the United Kingdom was well aware of the difficult security problems involved and that it would be helpful to the United States to have the thinking of the Commonwealth on some of these problems. Mr. Butterworth emphasized in conclusion that, while every effort was being made to obtain a firm United States Government position which could be communicated to the United Kingdom in the very near future, he could not give any assurance that such would be possible.

694.001/4–2450

Memorandum of Conversation, by the Special Assistant to the Secretary (Howard)

TOP SECRET [WASHINGTON,] April 24, 1950.

Subject: Japanese Peace Treaty

Participants: Department of State—The Secretary, Mr. Rusk, FE, Mr. Butterworth, S/J, Mr. Howard, S.
Department of Defense—Secretary Johnson, Secretary Pace, Under Secretary Voorhees, General Bradley, Admiral Sherman, General Vandenberg, General Collins, General Burns.

Secretary Acheson explained that he had suggested the meeting for the purpose of further exploring the problems connected with a Japanese peace treaty and of bringing the views of the State and Defense Departments into closer agreement so that he might be better prepared for the forthcoming discussions with Mr. Bevin and Mr. Schuman in early May. He recounted briefly the events beginning with his discussions with Mr. Bevin and Mr. Schuman in September 1949. Following these discussions a letter was sent by the Department of State requesting the views of the Defense Department concerning U.S. military requirements in the event a peace treaty with Japan were to be negotiated, and Secretary Johnson sent his reply of December 23 enclosing the opinion of the Joint Chiefs that they regarded a peace treaty as premature. The Secretary said that in view of the mutually exclusive character of the two requirements insisted upon by the Joint Chiefs for a peace treaty, viz., that U.S. forces remain in Japan and

1 Frank Pace, Secretary of the Army since April 12, 1950.
3 Robert Schuman, French Minister of Foreign Affairs.

507–851—76—75
that the USSR and the *de facto* government of China be parties to the peace treaty, he regarded the Joint Chiefs’ statement that a peace treaty was “premature” as a masterpiece of understatement, since these requirements would make the conclusion of a peace treaty impossible. He referred also to the subsequent conversations with Mr. Voorhees and Mr. Dorr and to the proposal which Mr. Voorhees had made on March 23 that negotiations be initiated with our friendly Allies looking toward a peace treaty covering political and economic matters but leaving unchanged the occupation regime of control and SCAP’s reserve powers for the purpose of assuring the maintenance of security with respect to Japan. The Department of State had considered Mr. Voorhees’ proposal and numerous other arrangements for protecting the security of the United States and its friendly Allies should a peace treaty be concluded. There were two aspects of the security problem. One is protection against the possible resurgence of Japanese aggression, which is of particular concern to Australia and the Philippines. The other aspect is protection against Soviet-Communist aggression against a disarmed Japan. The position of the Department of State is that a peace treaty, non-punitive in nature, should be concluded and that at the same time a security arrangement should be entered into with the FEC countries and Japan which would involve mutual commitments among the FEC powers to defend one another against aggression by Japan and to defend Japan against aggression from any source (we would of course mean the USSR or Communist China). Under this multilateral arrangement Japan would grant whatever bases and rights might be determined as necessary to defend Japan against aggression. The USSR and Communist China would undoubtedly not agree to participate in any such arrangement. The Secretary said that there were two points he wanted to make and then wished to open the subject for general discussion. The first point was that in his opinion the choice with which the United States was faced was not a choice between the situation we now have and an alternative, but rather a choice between a deteriorating situation and an alternative. The situation in Japan was not stationary. The Japanese had recovered from the shell shock of war and from their surprise at the entirely unexpected humanitarian and generous treatment which they had received at the hands of SCAP. As in Germany, there were increasing signs that the Japanese wished to regain their freedom from the controls of the military occupation and this feeling might well increase if the United States does nothing. Therefore, it does not solve the political problem simply to decide to do nothing. The second point was that in his opinion the proposal made by Mr. Voorhees placed undue emphasis on the legal aspects of the problem and on the possible legal arguments which the Soviets might seize upon should a peace treaty be concluded. In the Secretary’s view what the Soviets
might do would not be determined by what a fair-minded international lawyer would conclude concerning their legal rights. If they had no legal rights they would invent a situation or create a law which they would say gave them rights. Consequently the important problem was what are Soviet intentions, what will they do and what can we do to prevent or offset their action. The Secretary said that this was the stage at which the problem rested.

Secretary Johnson said that he had been gravely disturbed by the publicity concerning the Japanese peace treaty which had arisen from leaks that he attributed to the State Department. Before asking the Joint Chiefs to speak he wanted assurance that there would be no leaks from the State Department concerning this meeting and assured that there would be no leaks from the Defense Department. He said that what transpired at the meeting would be confined to the Defense Department officials present and asked that the same be true of the State Department officials present. Secretary Acheson assured him that this would be the case and Secretary Johnson asked General Bradley to proceed.

General Bradley briefly restated the JCS position of last December that a peace treaty was premature and said that in the light of recent developments and the uncertainties in the changing situation in the Far East his opinion and the reasons given for it still remained the same.

Admiral Sherman concurred in General Bradley's statement and added that, in his opinion, the crux of the problem from the military standpoint was that a decision was required as to whether our power position should be based on the periphery of islands formed by Japan, Okinawa, and the Philippines or whether the United States should abandon its position in Japan and Okinawa and draw back to Guam and the Philippines, the position held by us before the last war. He said that Formosa could probably be written off during the next six months and that if U.S. forces withdrew from Japan, Okinawa would be untenable. Accordingly he saw no middle position between the two alternatives he described.

General Vandenberg prefaced his remarks by stating that the problem appeared to be one of reconciling the political position of the United States, which was of course within the competence of the Department of State, and the military position, which was the responsibility of the military. With reference to the latter he said that it was his clear impression from the talks of the Joint Chiefs with General MacArthur in Tokyo that General MacArthur regarded a proposal for a peace conference as a propaganda move which would embarrass the USSR and improve U.S. relations with the Japanese, rather than as a move which was connected with military considerations. General MacArthur on questioning appeared not to desire the
actual implementation of a proposal for a peace conference but rather the mere proposal by the United States of a peace conference which would inevitably be refused by the USSR with consequent propaganda advantages to the United States.

General Collins confirmed General Vandenberg's opinion as to the views of General MacArthur. He stated further that it was General MacArthur's conception that should a peace treaty be concluded the size of U.S. forces in Japan would be reduced to a mere token force. This was disturbing to him because U.S. forces were even now so thin on Hokkaido that Soviet forces could easily land unopposed in many places and proceed inland a considerable distance before they would even make contact with U.S. forces.

Secretary Johnson said that he had been formerly of Secretary Acheson's opinion concerning a peace treaty but that, after reading the recent cables and press comment, he was convinced that the only propaganda for a peace treaty was that which came out of the Department of State. He said that he supported the view of the JCS that there should be no peace treaty. He stated that because of the wide disparity between the views of General MacArthur as reported by the Joint Chiefs and other officials—which meant that someone was not reporting MacArthur's views correctly—Secretary Johnson was planning to go himself to talk with General MacArthur, together with General Bradley, on June 12.

Secretary Acheson remarked that he had not known that Secretary Johnson was planning a trip to Tokyo. He said that there were a number of things which he wanted to make clear concerning the position of the State Department, relating to the remarks which the Joint Chiefs had made. He said that he was not for a peace treaty for the mere sake of having a peace treaty. The lack of a peace treaty would be acceptable if the present situation could be maintained indefinitely, but this simply was not the case. He said furthermore that the State Department was not proposing that U.S. forces in Japan be reduced in size, increased, or anything of the sort. The size of U.S. forces in Japan was up to the Defense Department to determine and the State Department looked to them for advice on this point. He emphasized that whatever military requirements were essential to U.S. security were for the U.S. military to determine. If, for example, bases were not enough and it was necessary to have the right to move about in Japan then an attempt would be made to obtain such rights. The State Department was interested however in making sure that the United States did not ask for more bases and rights than it would actually need in the long run because this would simply give rise to unnecessary difficulties in negotiations and unnecessarily adverse political consequences. With reference to General Collins' comment the Secretary said that if the Soviets intended to occupy Japan they could do so
under present conditions and in fact would appear to have a better legal basis to do so now inasmuch as they could allege that they have the right to have their occupation forces in Japan as part of the occupation. The Secretary said that the position that a peace treaty is premature is not adequate to meet his needs. He referred to the reference in the recent Sino-Soviet treaty to the desire of the parties for an early Japanese peace treaty and said that a proposal by the Soviets for a peace conference would catch the United States flat-footed. He pointed out that if the Soviets proposed that a peace conference be held along the lines suggested by the United States in 1947, the United States could not possibly refuse and would be forced to attend the conference.

The Joint Chiefs and Secretary Johnson assented to this last point. General Vandenberg, referring again to the distinction between the political and military aspects of the problem, said that the position of the Joint Chiefs was that a peace treaty under present conditions was premature for at least the next six months and that at that time the situation should be looked at again. If, however, Secretary Acheson for political reasons should say that the situation was deteriorating so fast that the United States could not wait as long as six months, then the Joint Chiefs would have to reassess the situation at once in the light of this judgment. The Joint Chiefs and Secretary Johnson concurred in this as a fair statement. Secretary Johnson asked Secretary Acheson whether, because of his proposed trip to Tokyo, the problem could remain dormant until July 1.

Secretary Acheson said that if the situation in Japan could be maintained indefinitely the problem of a peace treaty would not be acute at all. He said that this was not the case, however, and no one can say at just what time the situation will have deteriorated to the extent indicated by General Vandenberg. Also the Soviets might propose a peace conference at any time. He said that a military occupation anywhere, however ably conducted, begins after a certain time to run downhill and a point is eventually reached where one has to peg one's military requirements through the conclusion of a new arrangement and one must be willing to pay the price for this. The Joint Chiefs and Secretary Johnson assented to this proposition.

Secretary Pace restated the fact that the State Department was confronted by one set of problems and the military by another set of problems and that what Secretary Acheson needed to know was what to do if the need for action should arise. Secretary Acheson concurred and said that if the United States could assume an adequate public position it could keep the ball in the air for a considerable period of time. He doubted, even if negotiations were begun at once, that a peace treaty would actually be in effect until two years from now. He expressed doubt that the Soviets really wanted a peace treaty
with Japan. What they wanted was to get U.S. forces out of Japan and if they could force the United States into the position of opposing a peace treaty they would make tremendous capital out of it. He also referred to the fact that the United States did not want to be in a position of maintaining bases in a country with a hostile population and mentioned the discussions on this point in relation to the maintenance of bases in Arab countries.

General Collins said that he was concerned that the pulling down of U.S. forces as suggested by General MacArthur might well cause the Soviets to move into Hokkaido whereas they would not do so at present because of the sizable U.S. force now in Japan. He inquired whether it would be possible to check with leaders in the Japanese Government concerning the willingness of the Japanese to grant the United States base rights in Japan. Mr. Butterworth referred to evidence that there was a recent tendency in Japanese opinion away from the granting of military bases to the United States and that this tendency was likely to harden Japanese public opinion. Whereas Mr. Yoshida had cleverly avoided committing himself for or against bases—although he no doubt favored them—the leaders of the opposition have charged that Yoshida is preparing to grant bases and have publicly taken the position that bases should not be granted and the Communists were exploiting this situation. Secretary Johnson said that if this were the case his opinion would be even stronger that there should not be a peace treaty. Mr. Voorhees commented that in his opinion it was unnecessary to check with Japanese leaders in order to find out what Japanese opinion was. He was convinced that almost all Japanese would welcome U.S. forces and that they were concerned first about Japan’s security and only secondly about a peace treaty.

Secretary Pace said that he felt the State Department had not adequately explained its proposed political alternative to the existing situation so that the military might more readily determine whether it would meet with their requirements. He asked General Bradley if this were not the case and General Bradley, after some hesitation commented, I suppose so.

Secretary Pace inquired whether Mr. Bevin and Mr. Schuman regarded the conclusion of a peace treaty as urgent. Secretary Acheson replied that Mr. Bevin did but that it was a matter of secondary interest to Mr. Schuman, whose primary concern in the Far East was Indochina. The Pacific members of the Commonwealth are all anxious for a peace treaty provided, however, that their security against the possible resurgence of Japanese aggression is adequately taken care of. They would welcome the continued presence of U.S. forces in Japan and if some such security arrangement were not made they would insist upon a very punitive peace treaty. As for India’s posi-
tion, Mr. Nehru has expressed opposition to the continuance of the military occupation of Japan but has stated that he would not be opposed to U.S. forces remaining in Japan to protect Japan’s security under an arrangement voluntarily entered into by Japan.

General Bradley said that what he was against was a peace treaty for the sake of a peace treaty. He regarded this as dangerous and likely to lead to a situation in which not only U.S. security but the security of our Allies would be endangered.

Mr. Butterworth inquired whether bases in Japan were desired for Far Eastern defensive purposes or for the purpose of offensive operations against the Soviets in the event war should break out in Europe. Admiral Sherman replied that just as he could not separate Okinawa from Japan in their relation to the U.S. power position in the Far East, similarly he could not separate the U.S. position in Japan from possible hostilities in Europe. He said that both the USSR and the United States bordered on the Atlantic and Pacific and that hostilities in one area could not be separated from hostilities in the other, nor could the defensive and offensive aspects of military operations be easily separated. In the course of his comments Admiral Sherman remarked that a naval base on Japan was essential if the periphery of Pacific Islands was to be held and that Okinawa was insufficient and that the naval base must be accompanied by army and air force contingents. He said that the days of small military points such as Hong Kong were gone when the airplane appeared. General Vandenberg in reply to Mr. Butterworth’s question stated that when Japan was held by the Japanese it took an enormous operation for the United States to get anywhere in the Far East and this would also be the case if Japan were seized by the Soviets. Secretary Johnson inquired of Mr. Butterworth what difference the answer to his question might make. Mr. Butterworth pointed out that the Japanese would of course take an increasingly keen interest in the problem of bases and they could and would be influenced by whether or not U.S. bases in Japan would act as a magnet to draw upon them the consequences of any military operations between the United States and the USSR.

Secretary Johnson revealed that he had received a copy of a proposed letter from the Joint Chiefs which he believed would be helpful to Secretary Acheson in his meetings with Mr. Bevin and Mr. Schuman in early May. He said that General Bradley would deliver the letter to Secretary Acheson. Secretary Acheson said that he would study the letter. He said that he would also get up a memorandum concerning the steps that the United States should take if the Soviets should ask for a peace conference and concerning the U.S. position which the Secretary should adopt in his discussions with Mr. Bevin and Mr. Schuman. Secretary Johnson asked General Burns to make a similar study in order that the Defense Department might be prepared to
discuss the matter. He said that the State Department memorandum should be sent to General Burns and that when Secretary Pace had his feet on the ground he would take over the responsibility for Japanese problems and Secretary Johnson would no longer have a special deputy for this purpose.

Memorandum by the Director of the Office of Northeast Asian Affairs (Allison) to the Consultant to the Secretary (Dulles)

SECRET


Subject: Background paper on Japan.

There is attached the first of several background papers on various aspects of United States policy toward Japan which this office has in preparation. It is believed that this particular paper will be of special interest to you in connection with your consideration of matters affecting a possible Japanese peace treaty.

[Attachment]

JAPAN’S PARTICIPATION IN INTERNATIONAL RELATIONSHIPS

1. FEC Policy

The FEC, in the Basic Post-Surrender Policy for Japan, June 19, 1947, agreed: “To help the people of Japan in their own interest as well as that of the world at large to find means whereby they may develop within the framework of a democratic society an intercourse among themselves and with other countries along economic and cultural lines that will enable them to satisfy their reasonable individual and national needs and bring them into permanently peaceful relationship with all nations.” The Commission also agreed in this policy decision that one of the ultimate objectives in relation to Japan, to which policies for the post-surrender period for Japan should conform, was: “To bring about the earliest possible establishment of a democratic and peaceful government which will carry out its international responsibilities, respect the rights of other states and support the objectives of the United Nations.”

2. U.S. Policy

The U.S. Government has taken the position that SCAP, as the sole executive authority for the Allied Powers in Japan and in accordance with the principles set forth in the Basic Post-Surrender Policy for Japan, has legal authority, as well as the obligation, to permit Japan to participate in international relationships. On a broad policy basis

1 Full text, released to the press July 11, 1947, is printed in Department of State Bulletin, August 3, 1947, p. 216.
it was believed when the position was developed in the spring of 1949, that the situation in Japan required more than emphasis on internal reform and economic stabilization; that through participation in international relationships the Japanese would acquire direct experience and knowledge of democratic institutions abroad; and that such participation would go far to restore to the Japanese a measure of self-confidence and a renewed sense of responsibility.

3. Development of This Policy

A number of the FEC member governments objected to this position and took the view that pending the signing of a peace treaty with Japan, the FEC, and not SCAP, was the authority to regulate Japan's participation in international relationships. On April 21, 1949, the U.S.—without prejudice to its basic position that SCAP already has the authority to permit Japan to participate in international relationships, but with a view to obtaining the leadership of the other member governments of the FEC in encouraging such participation by Japan—introduced a proposal to the FEC which provided that "SCAP, subject to his discretion and continued control, should permit Japan to participate with other nations or groups of nations in such international relations, conventions, meetings, consular arrangements or other bilateral or multilateral accords as Japan may be invited to enter into, accede to, attend or participate in and as SCAP shall consider to be in the interests of the occupation." 2

In the course of the discussions on this subject in the FEC, this proposal was broken down into two parts. One provided that SCAP, subject to his discretion and continued control, should permit Japan to participate with other nations or groups of nations in such international agreements, conventions and conferences of a technical character as Japan may be invited to enter into, accede to, or attend and as the Supreme Commander shall consider to be in the interests of the occupation. The other provided that the Japanese Government may, with the approval of SCAP, appoint agents in any country willing to receive them for the purpose of facilitating Japanese trade and/or handling matters affecting the civil status or property rights of Japanese nationals. The latter proposal was approved by a majority of the members of the FEC on January 12, 1950, but was defeated by virtue of Soviet non-concurrence. The Department, in accordance with its basic position that SCAP may authorize Japan to participate in international relationships, then issued an invitation 4 through SCAP to the Japanese Government to set up five overseas agencies in the U.S. and Hawaii for performing trade promotion and certain consular-type activities. The U.S. invitation was accepted by the Japanese

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2 For remainder of text, see Foreign Relations, 1949, vol. vii, Part 2, p. 713.
3 Summaries of FEC meetings held during 1950 are in file 690.00 FEC.
4 Not printed; a copy forms enclosure 1 to despatch No. 263 from Tokyo, February 25, 1950. (794.00/2-2550)
Government on February 14. Except for Communist protests, reactions in Japan and the U.S. to this development were uniformly favorable. The Department and SCAP are now encouraging other countries (primarily Brazil, Argentina, India, Pakistan and Thailand) to follow the example of the U.S. Government in inviting the establishment of Japanese agencies in those countries.

The paper dealing with Japanese Participation in Technical Agreements and Conferences had been forwarded from the Steering Committee to the Commission by a majority vote. However, it soon became evident that due to the walkout of the Soviet representative from the Commission on January 29, 1950, the Commission would not be able to act favorably on the paper for some time because of the position of several governments that the FEC could not take action on substantive matters in the absence of the Soviet representative. The U.S. therefore, in accordance with the Terms of Reference of the FEC, issued an interim directive to SCAP, dated February 21, 1950, on Japanese Participation in Technical Agreements and Conferences based on the substance of the paper before the FEC. In view of the fact that the question of Japanese participation in technical agreements and conferences is a constantly recurring one, the U.S. Government was also motivated by the desire to establish some official sanction within the Terms of Reference of the FEC so that other governments might find it easier to support such participation by Japan. The issuance of the interim directive was approved by the French, Canadian, Pakistan and Burmese representatives in the FEC. The British and Australian representatives reserved the position of their governments on this matter.

It is important to note that the majority of the FEC support for both policy papers (technical conferences and overseas agencies) was obtained as a result of considerable U.S. diplomatic spadework.

**COMMENTS**

Treaty negotiations, even if successful, may well involve many, many months. Since Japan has faithfully complied with its surrender obligations, the continuation of excessive restraints on Japan appears to have little justification either morally or from the point of view of political wisdom. One of the most effective ways to help offset already discernible Japanese resentment against the protracted occupation—which necessarily must continue for some time longer—would be along the lines of restoring to Japan greater international personality: that is better facilities for international trade, Japanese handling of consular-type affairs, Japanese adherence to international conventions, and Japan’s participation in international conferences and conventions. Aside from the obvious technical advantages of such

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*For the Department’s press release of February 25, which includes full text of the directive, see Department of State Bulletin, March 13, 1950, p. 414.*
arrangements, they would permit the growing national awareness of
the Japanese people to find expression in the dignity and prestige that
go with international responsibilities rather than to engender hostility
toward the U.S. occupation and its objectives.

India, Pakistan and Burma have been generally sympathetic to the
policy, but other countries, including the United Kingdom and Aus-
tralia, have tended to interpret U.S. moves to bring occupied Japan
back into the world community as part of a substitution program for
a peace treaty. These latter countries have contended that a resump-
tion by Japan of international functions and responsibilities in ad-
vance of a general peace settlement could only be justified if it could
be clearly demonstrated that a peace settlement is impracticable.

The further success of U.S. measures to bring occupied Japan back
into the world community, therefore, hinges largely on the treaty
question. Either a treaty will restore to Japan normal international
relations or general agreement among the powers that a treaty is
impracticable will do so. The present situation, in which no decision
has been reached on either course, is almost certain to block any
further appreciable broadening of the scope of Japan’s international
relations.

It would be a grave error in judgment to suppose that because the
occupation in Japan is making apparent good headway and because
the Japanese are well-disposed toward the United States that this
situation will necessarily continue. Japanese willingness to cooperate
with the occupation and the friendly disposition of Japan toward the
U.S. will continue only under occupation policies which evolve with
sufficient rapidity to accommodate themselves to Japanese attitudes
and circumstances. The participation of Japan in international rela-
tions is an important way in which we can maintain U.S. initiative in
Japan, keeping one step ahead of the developments there. But the
further implementation of this policy is going to be difficult, perhaps
impossible, without an early definitive decision on the peace treaty.
As far as the participation of occupied Japan in international relations
is concerned, we appear to have reached the point of diminishing
returns.

Memorandum by the Director of the Office of Northeast Asian Affairs
(Allison) to the Assistant Secretary of State for Far Eastern
Affairs (Rusk)

CONFIDENTIAL

[WASHINGTON,] May 2, 1950.
Subject: Your conversation with General Burns.

Captain Murdaugh of the Defense Department telephoned this
morning about your meeting with General Burns and said that it
had been the understanding in his office that they would receive a copy of the U.S. position paper on the Japanese Peace Treaty, which they had not received, and he wondered what they could tell the General prior to his talk with you as preparation for that talk. I informed Captain Murdaugh that to the best of my knowledge there was no position paper on the Japanese Peace Treaty at the present time and that while I had not talked to you and therefore did not know exactly what you had in mind, I assumed that you wanted to have a general discussion concerning the various matters at issue between our two Departments prior to the departure of the Secretary. I told Captain Murdaugh that I would inquire around and if I obtained any further information I would let him know.

I then telephoned Mr. Butterworth and reported what I had said and he suggested that I tell Captain Murdaugh, without using his name, that it was our understanding in the Department that the Secretary had informed General Bradley that when he went to London he would have to say something to Mr. Bevin and that, therefore, he wanted the Defense Department to think about what he might properly say with respect to security matters in the Japanese Peace Treaty. General Bradley had also been informed that in the opinion of the Department a possibility existed of Russian initiative with respect to a Japanese Peace Treaty and that the State Department needed to know the position of the Defense Department as to what action might usefully be taken should such Russian initiative eventuate. I passed this on to Captain Murdaugh, making clear that I had not talked to you and that I was only giving him this general information on my own in an effort to be helpful as I though it probable that these subjects might be brought up by you.

Memorandum of Conversation, by the Assistant Secretary of State for Far Eastern Affairs (Rusk)

TOP SECRET

[WASHINGTON,] May 5, 1950.

Subject: Discussion of Japanese Peace Treaty during London Visit

Participants: Generals Burns and Magruder—Department of Defense

Captain Murdaugh—Department of Defense

Dean Rusk—Assistant Secretary

Generals Burns and Magruder came in to discuss the latest Defense position on the basis of which the Secretary of State should discuss the Japanese Peace Treaty during his forthcoming visit to Europe. They
furnished a copy of their proposed text (Tab A). A copy of the Department of State proposal is contained in Tab B.

The discussion on the differences between the texts developed the following:

(a) The Defense Department did not wish to have the Japanese peace settlement discussed with the French but wished to restrict it to the British. I pointed out that if Mr. Schuman asked Mr. Acheson about the Japanese peace settlement that Mr. Acheson could not simply play the role of the village idiot but would have, in fact, to offer minimum comments. I pointed out that it was desirable that we should keep this discussion with the French to a minimum.

(b) Defense representatives considered that NSC 13/3 had been overtaken by events. I pointed out that the Department of State believed that this paper had been overtaken by events but in the opposite direction from that conceived of by the Defense Department. In any event, NSC 13/3 represented an existing policy decision of the President and that, until changes were made through available machinery, the paper must be considered as approved existing policy.

(c) Defense representatives stated that they wished to delete any reference to the political desirability of an “early” peace treaty, preferring to speak solely of a “peace treaty”.

(d) The Defense representatives returned to their view that we should speak of a “minimum of post-treaty control machinery” rather than “no post-treaty control machinery”. They stated that they wished to leave the door open for such post-treaty control machinery as we might consider desirable after we had made final decisions on the substance of the proposed treaty itself. I pointed out that the other interested governments would probably start out with the view that we should have quite elaborate post-treaty control machinery and that the United States would be expected by them to play a major role in using such machinery to enforce the treaty upon Japan. I felt that in view of this attitude of other governments if we started from the premise that we should have “no” such machinery, we should be in a much better position. Defense representatives stated their understanding that their word “minimum” could be reduced to zero. I also pointed out that post-treaty control machinery was not consistent with our desire to reduce restrictions and special disabilities in such matters as trade, industry and civil government, nor with our desire to leave out of the treaty specific prohibitions on armaments.

(e) Defense representatives stated once again their opposition to the idea of proceeding with a Japanese peace treaty without the USSR and Communist China, although they did say that they would be willing to consider this question later this year. I pointed out that the President had stated views to the NSC in December which clearly envisaged the possibility of a peace treaty without the Soviet Union, that the Secretary of State could not possibly avoid discussing the pros and cons of proceeding without the Soviet Union and that there was very wide disagreement between the Departments of State and Defense on this point. I said Department totally rejected the legal

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1 Not printed.
framework of the argument that a treaty without the Soviet Union would greatly improve the legal position of the Soviet Union with respect to Japan and that we should not underestimate the nature of the disagreement on this point.

(f) Defense representatives stated they did not wish to have the continued regime of control mentioned in Alternative Security Arrangement II restricted to matters of security and that the wide range of authority contained in the surrender documents and SCAP directives should be continued and be available for use by SCAP as needed on important and urgent matters.

After reviewing the above differences, I stated that I did not believe that we had the time to resolve these differences and that, in any event, they raised some basic points of policy which we were not trying to decide finally until the review of our policy in June following Mr. Johnson’s return from Tokyo. I suggested that it might be better for the Secretary of State simply to act on the basis of existing approved policy in NSC 13/1 [NSC 13/3?] and his commitment to Mr. Johnson not to make a final decision in Europe.

General Burns acknowledged that the Secretary of State must have broad authority to discuss matters with other governments but said that the Joint Chiefs of Staff had considered that the Secretaries of State and Defense had agreed not to discuss the Japanese peace settlement in Europe. I stated that I did not know how that impression could have arisen because I was certain that the Secretaries of State and Defense had discussed this point subsequent to the meeting of the Secretary of State which had been attended by the Joint Chiefs of Staff. In any event, it was my understanding that the Secretaries of State and Defense had discussed the matter subsequently and that the very effort being made by General Burns and me was based on the assumption that the matter would be discussed. General Burns assented to this view.

General Magruder then said that what they had given us was the “advice” of the Defense Department and that he considered that the Secretary of State should consider this “advice” in the light of the situation in which he finds himself in Europe and conduct the discussions with the British and French on the basis of his own requirements and responsibilities.

I stated that I would indicate to the Secretary the specific points on which the Department of Defense would like changes but that I could not accept them as a basis for an agreed paper.

The meeting adjourned on the understanding that no further exchanges of papers between the two Departments was to be expected prior to the Secretary’s departure.

* Date uncertain.
Basis for Discussion by the Secretary of State with the Foreign Ministers of the United Kingdom and Possibly France* Concerning a Peace Treaty with Japan

Current basic policy on timing and procedure with respect to a peace treaty with Japan is contained in paragraph 1 of NSC 13/3:

"1. Timing and Procedure. In view of the differences which have developed among the interested countries regarding the procedure and substance of a Japanese peace treaty and in view of the serious international situation created by the Soviet Union's policy of aggressive Communist expansion, this Government should not press for a treaty of peace at this time. It should remain prepared to proceed with the negotiations, under some generally acceptable voting procedure, if the Allied Powers can agree among themselves on such a procedure. We should, before actually entering into a peace conference, seek through the diplomatic channel the concurrence of a majority of the participating countries in the principal points of content we desire to have in such a treaty. Meanwhile, we should concentrate our attention on the preparation of the Japanese for the eventual removal of the regime of control."†

Pending a reassessment of U.S. policy toward Japan upon the return of the Secretary of Defense from his visit to Tokyo in June, the United States should not assent to the calling of a peace conference.

An early† peace treaty with Japan is politically desirable but must not, because of its terms or because of the circumstances under which it is concluded, endanger the security of the United States, its friendly Allies, or Japan.

A peace treaty, if one is to be concluded, should restore Japan to a sovereign status with a minimum of restrictions and special disabilities in such matters as trade, industry, and civil government. It should be of such a character as to appeal to the Japanese and thus continue the process of drawing Japan into friendly relations with the non-Communist nations.

The treaty should not authorize, nor should it prohibit, the rearmament of Japan. It should, however, permit the maintenance of adequately equipped and manned police force and coast guard to maintain internal security in Japan.

*Defense representatives believe discussion of this subject with the French should be limited to a minimum and the Department of State staff concurs. [Footnote in source text.]

†Defense representatives believe this paragraph has been overtaken by events, but State Department view is that it continues to be the policy approved by the President and has not been changed by him. [Footnote in source text.]

‡Defense representatives would like to delete the word "early". [Footnote in source text.]
No§ post-treaty control machinery should be established to supervise the execution of the treaty.

The United States and its friendly Allies must continue to be secured against the possible resurgence of Japanese aggression and Japan must continue to be secured against possible Soviet-Communist aggression.

The United States and its friendly Allies might, provided that there is a sufficient measure of agreement among them, have to proceed without the USSR and Communist China.||

There are two types of security arrangements which are receiving primary consideration at the moment within the United States Government. This Government, however, has not determined that either would provide an acceptable settlement. Any final determination would depend in part on the willingness of the Japanese to grant bases.

**Alternative Security Arrangement I**—Concurrently with the conclusion of a treaty of peace, a collective security arrangement consistent with the United Nations Charter would be concluded with Japan. The membership might include, initially, in addition to Japan, those participating PEC powers which would be interested in joining. The parties other than Japan would undertake to come to the assistance of any party which was the victim of an act of aggression committed by Japan. All the parties would undertake to assist in defending Japan in the event that an act of aggression were committed against Japan from any source. In connection with this latter undertaking, Japan would make available to the United States such bases in Japan as might be required for the purpose of securing Japan's defense against aggression.

**Alternative Security Arrangement II**—An agreement would be entered into with Japan which would restore to Japan full sovereignty in matters relating to its internal government and to the conduct of its political and economic affairs with other nations. On the ground that they security objectives of the Potsdam Proclamation have not yet been achieved, the treaty would leave unchanged the existing legal authority furnished by Allied wartime agreements and the Instrument of Surrender for the occupation regime of control (including SCAP,
the FEC and occupation forces in Japan), although this authority
would be closely restricted to matters of security and would not be
exercised in the subject matters covered by the treaty except in case
of a grave emergency.¶

¶Defense representatives do not wish to restrict the exercise of this authority
to matters of security but wish to leave the way open to exercise it in all matters
covered by the treaty which assume a character of the utmost importance and
urgency. [Footnote in source text.]

694.001/5-550

Memorandum by the Assistant Secretary of State (Butterworth) to
the Secretary of State

TOP SECRET  [WASHINGTON,] May 5, 1950.

Subject: Forthcoming Discussions in London with Respect to a
Peace Treaty with Japan

There are attached herewith the following papers: a memorandum
of Dean Rusk's final conversation with General Burns and General
Magruder concerning the nature and scope of your discussions in
London on the Japanese peace treaty problem; ¹ Tab A to this memo-
randum of conversation is the final counter draft of the Department
of Defense; ² Tab B ³ is the draft of the Department of State which
we had vainly hoped, by reason of certain compromises contained
therein, would be acceptable to the Department of Defense, and this
is annotated to indicate, for your convenient reference, the unresolved
points of difference. The fundamental nature of these differences in-
dicate that the U.S. Government still has made no firm decision about
any important aspect of the Japanese peace treaty problem and will
not do so until after Mr. Johnson's return from Tokyo.

The question, therefore, arises as to how far you would wish to go
in discussing the Japanese peace treaty problem in London and with
whom.

We recommend that the tri-partite discussions be centered, insofar
as possible, around the problems involved in a peace treaty rather
than on the proposed solutions. For this purpose, there is also attached
a copy of the memorandum which you handed the British Ambassador
on December 24, 1949, ⁴ for the purpose of informing Mr. Bevin, on
the eve of his departure for the Colombo Conference of Common-
wealth Foreign Ministers, about the general nature of the security
difficulties with which the United States and like-minded powers in
the Pacific are faced in the effort to conclude a peace treaty with Japan.

¹ Supra.
² Not printed.
⁴ 507-851—76—76
It is specifically recommended that you not mention in the tri-partite talks either of the two security arrangements referred to in Tab B and that these be the subject of conversation with Mr. Bevin alone. We believe that, in the first place, Mr. Schuman is primarily interested as regards the Far East in the situation in Indochina and, secondly, and more importantly, the Quai d'Orsay will in one way or the other, leak anything you say. Both from the point of view of leaks and because of U.S. Government indecision, it would be inadvisable in your discussions with Dominion Representatives to go any further that in your discussions with Mr. Schuman. Therefore, if these recommendations commend themselves to you, it will be necessary to enjoin upon Mr. Bevin the utmost secrecy with respect to these possible security arrangements.

In your discussions with Mr. Bevin, it should be stated that the United States Government has not yet arrived at a final determination concerning the security difficulties referred to in the informal memorandum of last December; that it is continuing intensively and urgently with the examination of the difficulties and possible means of coping with them; and that, for his confidential information, Secretary Johnson is planning a trip to Tokyo in June personally to obtain General MacArthur's views, following which it is hoped that more definitive determinations can be made concerning the problems of a Japanese peace treaty.

You might indicate that notwithstanding the indefinite nature of any comments you might make concerning a peace treaty because of the above situation, it is your desire to inform Mr. Bevin in confidence as fully as possible concerning our thinking.

In your discussion of the nature of the peace treaty which this Government would wish to see concluded, we suggest that you use the Department of State draft referred to above (Tab B) as indicative of your thinking. However, on those points with respect to which a difference exists between the Departments of State and Defense, it seems advisable to be particularly careful in emphasizing the indeterminate nature of the thinking in Washington on these points, and it might be helpful to analyze for Mr. Bevin the difficulties which present themselves to our military authorities in reaching acceptable solutions of these complex security issues. On these and on other important issues in the Japanese peace treaty problem, it would be most helpful if you were able to obtain from Mr. Bevin the considered views of the British Government and its political and military analysis of the situation. Since the question of a Japanese peace treaty was discussed both at Colombo and, more recently, in the so-called Commonwealth

*In the file copy (which is also the original) an asterisk is written in ink after "B)." A handwritten note at the bottom (not preceded by an asterisk) reads: "Defense expects us to do this. D[ean] R[usk]."
Working Group at London, he would also be in a position to supply you with the alignments of view among the Commonwealth countries.

It is suggested that you also describe briefly the two types of security arrangements referred to in Tab B, but with the emphasis upon the following points. Neither security arrangement represents in any way a firm view of this Government but together the two arrangements illustrate the nature of the problems we are thinking about and the types of solutions we are exploring. The collective security arrangement, Alternative I, is not in any sense a "Pacific Pact" analogous to the Atlantic Pact and this Government would not favorably regard a Pacific Pact of such a character. It should also be noted that the nature of the terms of a peace treaty would depend in large measure on the type of security arrangement which accompanied the treaty.

In the course of your discussion of the peace treaty and security arrangement you might wish to indicate the following basic difficulties with which the United States is concerned: security against the possible resurgence of aggression by Japan in concert with the USSR; security of Japan and of the Western Allies against possible Soviet-Communist aggression, whether direct or indirect; the importance of Japanese consent to any security arrangement; the importance of the attitudes of India and other non-Communist Asiatic countries toward a security arrangement having in mind their objectives of national independence for Japan and for themselves; the procedural and security difficulties involved in concluding a peace treaty without Soviet Russia and Communist China participation; the procedural difficulties involved in the extension of an invitation to China to attend the peace conference.

You might repeat the concern which you expressed to the British Ambassador in handing him the informal note of last December lest there be any publicity that would tend to cast the blame for failure to proceed at once with a peace conference upon the United States or its friendly Allies instead of upon the Soviet Union, which has borne this onus in the past.

Furthermore, this Government must continue in any public statements to favor an early conclusion of a peace treaty with Japan.

In the course of your discussions, questions might be raised, particularly by the Dominions, either directly with you or through Mr. Bevin, with respect to our view that the treaty should not authorize or prohibit the rearmament of Japan but merely take note of the relevant provisions of the Japanese Constitution, and that no post-treaty control machinery should be established. Our thinking is that whereas we do not wish to encourage the Japanese to change their constitutional prohibitions or in any way to stimulate them in the direction of creating an army, navy or air force, we believe it would be most undesirable to perpetuate such prohibitions in a treaty of
peace. All experience argues that once written into a peace treaty, they
could not be overcome except by unilateral violation even though at
some future time many of the governments concerned might find a
change in their interest but would not be able publicly to support the
change. It follows that if one is opposed to the inclusion of prohibitive
provisions in the peace treaty, any control mechanism would lack terms
of reference under which to operate. Three years ago our treaty draft
envisaged as the mechanism of control the creation of a Council com-
posed of the ambassadors accredited to the Japanese Government.
Even at that time, the Department had grave doubts as to the efficacy
or desirability of such a Council in which ambassadors assumed the
incompatible role of police inspectors. Furthermore, the highly de-
veloped postwar system of export licensing would offer an ade-
quate means of controlling Japan bereft of the raw materials of
Manchuria, Korea and Formosa.

694.001/5-1250
The Special Assistant to the Under Secretary of the Army (Reid)
to the Assistant Secretary of State (Butterworth)

TOP SECRET

WASHINGTON, 10 May 1950.

Dear Mr. Butterworth: The attached summary of a recent con-
versation with Mr. Ikeda Hayato is forwarded at the request of
Mr. Joseph M. Dodge.

Sincerely,

Ralph W. E. Reid

[Attachment]

2 May 1950.

Subject: Discussion of Japanese Peace Treaty with Mr. Ikeda,
Finance Minister of Japan.

Mr. Ikeda reported that there has been continued discussion of a
Japanese Peace Treaty in the Diet. In the Prime Minister's State of
the Union Message to the Diet, it was described as being closer of
realization than has since been apparent. The Prime Minister's state-
ment was somewhat over optimistic and the situation has since become
discouraging.

The political opposition have centered their attack on the point
that a one-party treaty is being discussed as against an over-all treaty
and that the publicity about treaty discussions indicates the possible
exclusion of the interests of certain other countries.

1 Finance Minister of Japan.

2 Financial Adviser to the Supreme Commander and Fiscal Adviser to the
Under Secretary of the Army.
This point of attack originated with the Communists but reportedly has been joined by the Socialists and Democrats who apparently have grouped themselves into a council or front opposing a U.S. treaty and opposing continued military bases for the United States.

Two resolutions on this are reported to have been submitted to the Diet, one by the United Front and one by the Communist Party, which differed in some respects but were voted down by the House about two to one.

Actually, the United Front appeared to be aiming at a coalition that would carry a non-confidence vote against the Government, but this coalition ended in aiming their efforts at the Peace Treaty situation.

The present government party prefers the earliest possible treaty with all interested governments included, but, if this is not possible, wants the other kind of a treaty as early as possible. Essentially, they want the best they can get under the circumstances and as quickly as possible.

The political question for the party now in power in Japan is whether or not to carry the treaty question and their position on it as part of the party platform in the approaching elections for the House of Councillors, and what this position should be.

The opposition against continuing U.S. military bases in Japan is met by the Prime Minister as a hypothetical question to be considered when and if such a proposal is made.

The opposition moves are construed as an internal political effort directed against the government in power, except, of course, for the Communist attitude which is traditional and expected.

While it cannot be proved, the majority of the public are believed to favor the earlier treaty on any reasonable terms.

The United Front opposition is being strengthened by contentions that their democratic privileges are not actual in relatively minor matters of policy affecting the day to day life of the Japanese and in the actions of the Diet with respect to these. They have been looking for more latitude in these matters which they claim in some cases has been denied them. They object to interference in matters below the level of basic policy, such as the implementation of the Stabilization Program.\(^8\) The opposition contends that the freedoms and decontrols resultant from the Stabilization Program have been negated by other and continuing interference at lower levels. The opposition does not believe that this is with the approval of SCAP, but that nevertheless it exists.

Mr. Ikeda conveyed a personal message from Prime Minister Yoshida to Mr. Dodge to the effect that the Government desires the

\(^8\) For documentation pertinent to the initiation of this program, see *Foreign Relations*, 1948, vol. vi, pp. 1059 ff.
earliest possible treaty. As such a treaty probably would require the maintenance of U.S. forces to secure the treaty terms and for other purposes, if the U.S. Government hesitates to make these conditions, the Japanese Government will try to find a way to offer them.

A study of the constitutional angle has led to the conclusion that if continuing U.S. bases was made a requirement of a treaty it would make such a treaty easier to establish; also, that even volunteering the continuance of these bases would not be a violation of the Japanese Constitution. This provision could be in the treaty itself or by separate agreement.

Mr. Ikeda said that they were always aware that the present economic aid given Japan could be terminated by the unilateral action of the United States Government, but that if and when private capital from the United States could be introduced into Japan it would not only act as a most desirable substitute to the present grants of aid but indicate even to a greater extent the tie between the two countries. The introduction of substantial amounts of private capital investment from the United States would tend to make the Japanese people less skeptical about their own future.

In reviewing the attitudes of the Japanese people, Mr. Ikeda stated that they had not forgotten the statement of Secretary of the Department of Army Royall in February 1949 to the effect that Japan was not necessary to the United States. Emphasis had been given this by later public statements of the United States Government in writing off Formosa. It was further colored by the Communist gains in Indo-China, the fact that South Korea is not strong and could, perhaps, easily be abandoned, and that India’s position is not altogether clear.

The Japanese people are desperately looking for firm ground.

There is also the possibility that the Soviets may offer a peace treaty in advance of the United States and might include in that offer the return of Sakhalin and the Kuriles.

The people were aware of the situation in Berlin and the apparent concessions and retreats by the United States Government in meeting the Soviet advances in Europe.

They were skeptical on just what and when and where the United States would stand firm, and particularly with respect to Japan.

Mr. Ikeda emphasized that if this should prove to be no time for a Japanese peace treaty that it would be very discouraging for the present Japanese Government and the Japanese people. He believed it only could be offset by the Japanese being allowed more freedom

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in the conduct of their own domestic economic and political affairs. In other words, to give as much as possible of the effect of a treaty with the U.S. and create a de facto treaty situation. He added that what had been expected from the Yoshida Government and Cabinet was substantially more freedom in conducting their own affairs than had proved to be the case and that as a result there was considerable disappointment and some declining popularity of the present Government. However, this did not mean that other parties were gaining in popularity. If the present Government should fall, no other party could gain the security majority that for the first time had been carried by the Yoshida Government.

Mr. Ikeda suggested that what was needed was some greater demonstration of interest in Japan than dollar aid as it was well known the United States was providing similar aid to other countries.

Mr. Dodge pointed out, completely unofficially and informally, that as the general international situation between the Soviet Union and the United States Government deteriorated, and particularly as this appeared to exist in the Far East, it was certain to raise serious questions as to the advisability of an effort to establish a peace treaty with Japan under these conditions and at this time. This in no way denied the general desire and objective of a peace treaty at the earliest possible and feasible moment. He suggested the possibility which must be taken into account that, as the general situation deteriorated, the military and strategic position of the United States rose in importance as a consideration. This, if true, would lead to a natural conclusion that the United States position in Japan should probably be maintained at its strongest.

It was also pointed out that the matter of a Japanese peace treaty had been and was under continuous discussion within the U.S. Government; that so far as he knew the Government position had not been completely clarified or determined as of the present. However, there was to be a discussion of the Japanese peace treaty at the Council of Foreign Ministers Meeting to be held shortly in London, and at that time there was a possibility that the United States position would be publicly exposed.

In any event, it did not appear either practical or possible to give Mr. Ikeda any definite assurance at this time other than the continuing interest of the U.S. Government in establishing a treaty as soon as practicable.

Mr. Ikeda was informed that his views and the views of his Government would be summarized, as they have been above, that this summary would be subject to his review and approval, and would then
be placed in the hands of the proper officials of the Department of State and the Department of the Army.⁸

JOSEPH M. DODGE

⁸In a memorandum of May 12, 1950, to Acting Secretary Webb, Mr. Butterworth said this paper had been forwarded to Mr. Dulles as well as to himself and continued in part: "The conversation is regarded as significant because it is the first expression we have had at an official level of the attitude of the Japanese Government on the peace treaty and related questions." Mr. Butterworth stated also that a résumé of the conversation (not printed) was being wired to the Secretary. (694.001/5-1250)

694.001/5-1150

Memorandum of Conversation, by the Secretary of State


Memorandum of Conversation Between the Secretary and Mr. Bevin, with only Sir William Strang, Mr. Dening, and Mr. Merchant Present.

Immediately following the conclusion of the US-UK bilateral conference at the Foreign Office on the afternoon of May 10¹ I met with the Foreign Secretary and the above-named participants in his office to give him such information as I could concerning the status of the Japanese Peace Treaty. When Mr. Bevin had raised this subject earlier I had stated that I preferred to discuss it in a restricted meeting.

Mr. Bevin opened the conversation by stating that he was placed in a position of extreme difficulty by lack of information regarding United States plans for a Treaty. He was anxious to know if I could tell him anything at this time. He went on to say that he was under pressure in the House and from the public generally, as well as by the Board of Trade and the Lancashire interests. All he has been able to say so far was that they were working closely with the United States, but I must recognize that he was placed in an extremely awkward position. Mr. Bevin said he was most anxious to keep their course of action with respect to Japan and the Treaty in conformity with ours. He had, of course, been continuing to say publicly that the Soviets were holding up the question of a Treaty with Japan as they were in the case of Austria, but that he was increasingly fearful that the Soviets might take the initiative and propose a conference to write a Peace Treaty. Mr. Bevin went on to say that he had been in really great difficulty in Colombo. The Asiatic Dominions were really annoyed at his inability to talk at all on the

¹For a summary of the second part of the fourth session of the bilateral ministerial conversations, see Secto 217 from London, May 10, scheduled for publication in volume III.
subject, and he had been forced to invent on the spot a suggestion that a committee of the Commonwealth meet in London to exchange views among themselves and with the United Kingdom. India and Pakistan, he mentioned, were particularly pressing him for action on an early Treaty.

In reply to Mr. Bevin I stated that unfortunately I was not in a position to tell him anything more than I had in my Christmas Eve conversation with Sir Oliver Franks on the subject. I stated that the difficulty resided in the matter of the security arrangements which would accompany a Treaty. I said we were working urgently on the matter with our military authorities, who pointed out that in their view we were faced with a dilemma. On the one hand, if a Treaty were written in which the Soviets and Communist China participated, then no security provisions would be possible, and I pointed out that I regarded security as comprehending both aggression by and against Japan. The other horn of the dilemma, I said, was that if we negotiate a Treaty without Soviet or Communist China’s participation, that very act may stimulate Soviet action.

I then informed Mr. Bevin, emphasizing that this particular point as well as everything I said was given to him in strictest confidence, that Secretary Johnson and General Bradley were planning to leave for Japan the end of this month to exchange views on the subject with General MacArthur. They planned to return about the 12th of June, and further discussions with the military authorities will ensue.2

I then promised Mr. Bevin that I would inform him as soon as I was in a position to give him any further development of our views. I reiterated the necessity for guarding with the utmost care the fact that the United States Government had not yet formulated its views on the matter of the Peace Treaty, since I also recognized the extreme difficulty in which we would be placed were the Russians to sense this fact and seize the initiative by calling for a Peace Conference. I also told him that in all public statements I would naturally continue to state that I regarded the question of the Treaty as a matter of urgency.

Mr. Bevin was obviously disappointed that there had been no progress in the development of our position since last September, but assured me that they would naturally make no difficulty for us.

I then asked Mr. Bevin if he could tell me anything of the results so far of the discussions between the United Kingdom and the Commonwealth representatives on this subject. Mr. Bevin replied that he didn’t think much had come out of it so far, but Mr. Dening spoke up to say that there had been a most interesting discussion that very

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2 Secretary Johnson and General Bradley were in Japan from June 17 to June 23.
morning. He said that their talk had revolved on the security issue and that they had concentrated on two alternative solutions. The first one would involve a genuine effort to bring Peking and Moscow into the conference with the recognition that progress would be impossible and the conference would break up. They thought the Western powers should then write the Treaty without Russia or China, with a concurrent agreement under which the signatory powers would agree to defend Japan against attack and probably (although India, Pakistan, and Ceylon did not like the thought) a base agreement between the United States and Japan. The alternative which this committee considered was a limited Peace Treaty which would retain the legal basis for the occupation and control powers of SCAP, but with these powers reserved and not exercised except in case of emergency. There was a general dislike, Dening said, for this second approach to the problem. In the first place, they felt that the Japanese would dislike it and be restive under such an arrangement. Secondly, they felt that it would provide the Russians with excellent material for propaganda. Finally, they felt that all of them would be in an ambiguous position vis-à-vis the Japanese Government and SCAP.

I thanked Mr. Bevin for this information, but did not otherwise comment on it.

Mr. Bevin then asked me how I saw the position of the Communists in Japan.

I replied that it was my impression that Moscow was purging the Party down to the hard core, and that the test had been the call for the trial of the Emperor. I said I did not believe that in popular support Communism was at the present time making any great headway and noted that the majority of the returned prisoners of war have not in fact been effectively indoctrinated.

As I left, Mr. Bevin reverted to the risk of the Soviets calling for an immediate Peace Conference, or possibly merely inviting the FEC countries to Moscow to discuss in preliminary fashion the question of a Peace Treaty.

I agreed that the risk existed and that in fact it would be a smart trick for the Russians who, by reason of their geography needing no bases in Japan, could place themselves in a position of bidding against us with the Japanese.

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*On February 1, 1950, Alexander S. Panyushkin, Soviet Ambassador to the United States, handed the Secretary a note, not printed, proposing the trial as war criminals of the Emperor of Japan and several former Japanese generals. The Department’s press release of February 3 commenting on the proposal is printed in the Department of State Bulletin, February 13, 1950, p. 244.*
694.001/5-2350

The First Secretary of Embassy in the United Kingdom (Ringwalli) to the Director of the Office of Northeast Asian Affairs (Allison)

CONFIDENTIAL

PERSONAL OFFICIAL

DEAR JOHN: In order to avoid surfeiting the Department with reports on the Japanese Peace Treaty Working Party, I have decided to pass on to you the following information given me in confidence by a reputable American correspondent. His sources, he says, are members of several of the delegations to the Conference, including delegates from the Indian sub-continent. The following list of general areas of agreement he read to me one afternoon just after the Conference adjourned. He said he was on his way to his office to embody most of the points in a news despatch to his paper:

1. Japan should be encouraged to join the UN immediately after the signing of a treaty.
2. The applications of Indonesia and Ceylon for membership in the Far Eastern Commission should be supported.
3. Japan should be allowed adequate police forces for internal security. There was, however, concern that a secret police force might be re-established as soon as controls were lifted.
4. There should be no restrictions on commercial aircraft or on ship building either as to size, number or speed.
5. No unfair competition in overseas trade should be permitted.
6. Japanese territory should comprise the four main, and a few adjacent islands.
7. The Treaty should be so drafted so as not to incur the permanent resentment of the Japanese people.
8. Japan should be encouraged through its own efforts to obtain a reasonable standard of living.
9. Pakistan, Ceylon and India insisted that restrictive clauses in a Peace Treaty should be kept to a minimum.
10. Peiping and Moscow should both be invited to participate in Treaty negotiations.
11. Peiping should become a member of the Far Eastern Commission.
12. Economic controls should be of a long-range nature and it was recommended that a study be made of Japanese dependence on imports and of sources of supply generally (apparently the United Kingdom did not take this recommendation too seriously).
13. India would be prepared to acquiesce in security restrictions provided Japan’s economic recovery were not imperilled.
14. New Zealand demanded complete suppression of military and para-military forces and restrictions on oil and rubber production as well as ship building. It offered no objection to civilian aircraft manufacture nor to a police force.
15. Australia demanded control of atomic energy and war potential generally. It was strongly opposed to Japan’s fishing and whaling in southern waters and there was some talk of calling a conference on fishing in order to deal with this problem more extensively.
16. Japan should be encouraged to join GATT, ITO, and similar organizations.

17. Export of Japanese merchandise should not be discouraged, especially in regions where purchasing power is low.

18. Reparations was generally agreed to be a dead issue.

19. Territories to be taken from Japan need not be mentioned in a Peace Treaty.

20. There should be in a Peace Treaty, a reference to human rights.

21. Political societies such as the Black Dragon should somehow be discouraged.

22. Japan should be obliged to conform to international agreements on the suppression of opium traffic.

23. From the point of view of the Asiatic Commonwealths generally, all the enforcement machinery in the world could not guarantee security against Japanese aggression. The political disadvantage in interfering in Japan’s internal affairs would outweigh any benefits derived from an attempt to write security guarantees into the treaty.

24. With reference to any American bases, India was opposed to any arrangement for such bases to be included in a Peace Treaty but there appeared to be no objection to Japan’s making separate arrangements as a sovereign nation once the Treaty were in effect.

You will note that many if not most of the above points have already been covered by reporting from this Embassy.¹

Sincerely yours,

ARTHUR R. RINGWALT

¹ A copy of the “Report” of the Commonwealth Working Party on a Japanese Peace Treaty, May 17, 1950, was transmitted by the British Embassy in Washington to the Department on September 20, 1950. (Lot 54D423)

794.001/5-2450

The Director of the Office of Northeast Asian Affairs (Allison) to the Acting United States Political Adviser for Japan (Sebold)

SECRET

[WASHINGTON,] May 24, 1950.

DEAR BILL: In your letter of March 24¹ you raised the question whether SCAP should be encouraged to “crack down” on the Japanese Communist Party which you believed was getting out of hand. You recognized that such a move might not be an unmixed blessing, but you were prone to recommend it as opposed to the present policy described as one of drift.

I have hesitated to reply to your letter for many weeks now, primarily because of the difficulty of appraising from this distance the many factors that must necessarily come to bear on a decision of this complexity and importance. I also realize that any reply at this juncture may not prove consequential inasmuch as General MacArthur has already issued a statement² on the occasion of the third annivers-

¹ Ante, p. 1154.
² Not printed.
ary of the Constitution, which would indicate quite clearly that the decision has already been taken in Headquarters to encourage the Japanese Government to move against the Japanese Communist Party, presumably by outlawing that party.

I think it is fair to say that everyone in the Department who has been connected with Japanese affairs has been impressed by the way General MacArthur has handled the Communist problem, particularly over the past year. We believe that the manner in which the Japanese Communists were allowed to show up their true colors last summer through militant excesses, only to have SCAP move in firmly at the precise opportune moment, dealt a severe blow to the Communist cause in Japan not only by promoting popular resentment against the Communists but by bringing about the elimination of Communist leadership in Government unions. Likewise the repatriation issue brought home forcibly to the Japanese people the perfidy of the Soviet Union and the treachery and subservience of their JCP minions. I have particularly in mind the spectacle of the JCP summoning the homecoming POWs to rallies and parades rather than allowing them to join their awaiting families and friends. We have been led to believe that it has been this type of Japanese Communist Party activity and this type of handling of the Japanese Communist Party that has brought that Party to the nadir of its post-war fortunes. It may well be argued that this is a transitory phase and the JCP power is now on the ascendency, but the history of the past year nevertheless demonstrates that the Communist Party, given a certain amount of rope, can be its own hangman.

Another development of the past year which has had a direct bearing on the fortunes of the Japanese Communist Party has been the issue underlying the Cominform criticism of Nosaka and subsequent development. Because of the international overtones of this controversy the Department has followed related developments with close interest and has come to the following conclusions:

(1) The Cominform attack was originally directed toward forcing a basic change in the JCP line. The new philosophy and strategy advocated by the Cominform had as its concomitant the reduction of the JCP to a hard core of militants dedicated to the class struggle.

(2) In the face of strong JCP desire to pursue existing theories and strategy, a compromise with Moscow was reached which allowed the Japanese Communists to confess that their theory was wrong, but which did not require them to alter fundamental practices.

(3) Available evidence here indicates the likelihood that the Chinese Communist Party interceded with Moscow on behalf of the JCP leaders.

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3 May 3, 1950.
4 Sanzo Nosaka, a member of the Political Bureau and the Secretariat of the Japanese Communist Party.
(4) Bitter controversy over future strategy continues within the ranks of the Party's top leaders.

If the general character of these assumptions is correct, it would seem to follow that the suppression (e.g. outlawing) of the JCP at this time would bring about many of the results which the Cominform was seeking when it leveled its open blast at Nosaka. Suppression would direct JCP efforts toward class struggle tactics carried out by subversive means. It would create strong pressures toward consolidation of the Party and toward resolution of disagreements among its leaders. It would tend to bring the party into closer relationship with, and dependence on, the Kremlin, thus undermining exceptionalist tendencies already apparent.

Experience in Turkey, Spain and certain other countries has clearly demonstrated that if the banning of the Communist Party is to be successful it must be rigorously prosecuted by a well-equipped, well-organized police system, including a police intelligence system, which is prepared to function ruthlessly when the circumstances so require. To ban the Communist Party without having this enforcement machinery is to open a veritable Pandora Box of troubles. For the Communists, proliferating into all sorts of concealed fronts, would then be difficult to identify and in a position to continue to spread their poison perhaps even more effectively. They would be under no compunction to observe press codes, libel laws, etc. They would be in a position to attack the U.S. and occupation officials by name and to spread leaflets and rumors exposing so-called scandals involving occupation officials.

The ability of the present police establishment to handle this type of situation is open to serious question; and yet to fail to redress the situation would bring discredit to civil authority and law. The temptation for the occupation forces to move against the Communists would be great indeed, but to succumb to that temptation would be precisely what the Communists desire. The Communists would then become martyrs of Japan who dared to oppose the occupation authority. Cast in this role, the Communists would indeed appeal to the patriotic susceptibilities of the Japanese people. I am sure you appreciate that this has been an important factor underlying our Government's policy recommendation in NSC 13 for strengthening the Japanese police establishment—a recommendation which has not been carried out to the extent we envisaged for reasons best known to Headquarters.

Contingent with the foregoing possibilities is the danger that the Japanese Government will be under considerable temptation to label opposition elements as Communists or Communist fronts and to move against them accordingly.

Please do not regard the observations made in this letter as denoting a position opposing the outlawing of the Communist Party, for I
have made no attempt to weigh the pro’s with the con’s. I have gone to this length in answering your letter merely in the hope that certain lines of thought, which may be more discernible to the detached observer, are given due consideration in any Headquarter’s deliberations on this subject.

Sincerely yours,

JOHN M. ALLISON

694.001/5-2550

The Acting United States Political Adviser for Japan (Sebold) to the Assistant Secretary of State (Butterworth)

TOP SECRET

TO KYO, May 25, 1950.

Dear Walt: Last night I had an opportunity to have a lengthy conversation with General MacArthur regarding the various documents brought to me by John Muccio and, specifically, the two “position” papers representing the present thinking of the Department of Defense and Department of State respectively. General MacArthur said that his initial reaction to the two papers was one of wonderment at the apparently small differences between the thinking of the two Departments. In consequence, he had felt that it should be a relatively simple matter to find some middle ground of agreement. The more he thought about the differences, however, the more complex the problem had appeared, especially as there seems to be a certain amount of intractability on the part of the Defense people. He has an impression that the Defense representatives with whom Dean Rusk discussed these matters are not of the caliber one would expect of persons charged with such important negotiations. The General said that he has thought long and often of this problem and has come to the tentative conclusion that an alternative proposal, which might be acceptable to both sides, can be found. The General made it clear that his solution stems from the two position papers and that he is taking up the problem as from the present area of disagreement. He does not feel it worth while to cling to his own previous proposals, as apparently the thinking in Washington has now proceeded far beyond any proposals of the past. He said that in his view it is important to bring the two Departments together so that some position can be found to enable the United States Government to chart its course of action. Even if such solution should not be perfect, he feels that the important thing is to find a common meeting ground—subsequent events and time will, in due course, nevertheless dictate the successive steps to be taken.

1 Ambassador to the Republic of Korea.
2 Apparently those attached to Mr. Rusk’s memorandum of a conversation held May 5 with Generals Burns and Magruder, p. 1186.
The proposal which General MacArthur said he would make to Secretary Johnson, if the latter should raise this question, is the following:

The Japanese Government should be given the following alternatives:

(A) The Japanese should be offered a treaty of peace based on the concepts previously explored but containing a provision that certain specified bases in Japan will be reserved to United States troops for the purpose of securing the achievement of the basic objectives set forth in the Potsdam Proclamation, provided, however, that the treaty herein envisaged shall be subject to a nationwide plebiscite by the Japanese people. If the results of the plebiscite are in the affirmative, i.e., are in favor of the treaty of peace containing the base provision, the treaty shall become effective. In the event that the plebiscite should result in a negative vote, then alternative (B) is accepted.

(B) There shall be a continuation, without change, of the present regime of control, with no treaty of peace.

We discussed this proposed solution at considerable length, and General MacArthur is fully aware of some of the attendant difficulties which might arise should this proposal be adopted as the United States position. For example, it is presently unknown what the reaction of other parties to the treaty might be. There is also the danger of a hard crystallization of Japanese sentiment on the question of bases, with a strongly divided public opinion and consequent political restiveness that might result from widespread discussion of this problem. Finally, there are inherent practical difficulties of holding a plebiscite in Japan.

General MacArthur, however, feels that some midway proposition is preferable to none at all, with a continuation of the present dilemma in which the United States finds itself; his only objective in making the above proposal is to get on with the treaty. He said, in effect, that he has no pride of authorship and if a better solution can be developed, he would welcome it. This new proposal of the General's, in my opinion, does not represent his last word and may have been "thinking out loud". If adopted, it would of course represent a sharp veering from his previous views, which, as you know, were simple, direct, and fully in accord with our own.

In connection with Mr. Johnson's visit, General MacArthur said that he has no intention of raising the peace treaty problem and will not discuss it unless Mr. Johnson asks for his advice or views. I reminded the General that any knowledge which he has of the present differences of views between the two Departments ought, of necessity, to come from the Department of the Army. He said that he is
fully aware of this but assumed that the DA would, in due course, and prior to Mr. Johnson's visit, brief him on the situation.

Sincerely yours,

W. J. Sebald

694.001/6-750

Memorandum by the Consultant to the Secretary (Dulles)¹ to the Secretary of State

SECRET

[WASHINGTON,] June 7, 1950.

I attach memorandum ² which I have prepared with the help of Messrs. Allison, Hamilton, Howard and Fearey, which could, I think, be made the basis of our talk planned for Friday at 2:30.

[Attachment]

JUNE 6, 1950.

In the case of Japan the long-range, overall objective is:

A Japanese people who will be peacefully inclined;

effectively respect fundamental human rights;

be part of the free world;

be friendly to the United States;

be capable of developing their own well-being and self-respect without dependence on outside charity;

be able by their conduct and example to exhibit to the peoples of Asia and the Pacific Islands the advantages of the free way of life and thereby help in the effort to resist and throw back communism in this part of the world.

Appended hereto as Tab 1 are notes indicating certain of the fundamental difficulties which must be overcome and the methods by which they might perhaps be overcome.

Attached hereto as Tab 2 is a statement of specific steps which might now be taken by SCAP in aid of the foregoing objectives.

Attached hereto as Tab 3 is a statement of terms which might be incorporated in a treaty between Japan and all or some of the nations, including the United States, that have been at war with Japan.

Attached hereto as Tab 4 is a statement of the procedures that might be followed if it were determined to seek such a treaty.

¹ In a memorandum of his conversation held with the President May 22, Acting Secretary Webb stated: "I spoke to the President about the possibility of having Mr. Dulles visit both Japan and Korea and he agreed that this was desirable." (694.001/5-2250) For Mr. Acheson's announcement of the trip, released to the press June 7, see Department of State Bulletin, June 19, 1950, p. 908. Mr. Dulles' statement at the time of his departure for the Far East June 14 is [ibid.], June 26, p. 1061. Mr. Dulles and Mr. Allison were in Japan June 17 and June 21-27.

² Previous drafts of this memorandum dated May 25 and June 5 are not printed (694.001/5-2550 and 694.001/6-550).

507-861—76—77
1. Geography. There is physical propinquity to the China mainland, Manchuria, and North Korea, now under communist domination. The Soviet Union now controls all of adjacent Sakhalin and the Kurile Islands. Formosa is in immediate jeopardy and South Korea is in long-term jeopardy.

2. Economics. There is natural and historical economic interdependence between Japan and the now communized parts of Asia. These are the natural sources of raw material for Japan.

3. Politics. The people have a tendency to totalitarian forms and to authoritarian rule.

4. Ethics. There is no strong religious faith which, like Christianity, tends to develop a sense of individual worth as against enforced conformity.

5. Social. Extreme density of population, paucity of natural resources, and religious influences have resulted in social institutions which minimize frictions by discouraging individualism in favor of family, group, and national interests.

6. Racial. There is a certain barrier with the West in the face of the assumed Western sense of white superiority. But there is a sense of superiority too and, in some respects, to the Chinese and a desire to be treated as social equals by the West.

7. Military. There is a present emotional tendency to pacifism which, however, could easily shift to a revival of militarism.

The problem of attaining our objective regarding Japan presents great difficulties and will require strong efforts along several fronts. The following questions are raised in connection with the foregoing points:

1. Since Japan from a geographical standpoint is closely encircled (North, West and South) by areas controlled by Communists of dynamic and aggressive tendencies, can Japan be saved from Communism if the Free World merely adopts, in this area, a defensive policy and does not undertake there some counter-offensives of a propaganda and covert character designed to prevent the easy and quick consolidation by Soviet-inspired Communists of these recently won areas and which will require Communist efforts to be expended more in the task of consolidation rather than in the task of further expansion and aggression? If defense can only succeed as supplemented by offense, what are the practical offensive possibilities?

2. Can there be found, outside of the Communized areas, adequate sources of raw materials and markets for Japanese industry so that Japan's economy can be reasonably and progressively prosperous without dangerous dependence either on Communist-controlled areas or large United States grants in aid? Should there be permanent restrictions on Japanese trade with Communist areas designed either
a) to prevent the strengthening of the Soviet war potential or b) a dangerous dependence by Japan on Communist trade, a dependence which would expose Japan to successful Communist blackmail at a subsequent date?

3. What can be done to help develop and maintain representative government as against the tendency toward dictatorial forms and practices? Would it be useful to make available some sort of an Advisory Commission, perhaps headed by MacArthur, which would visit Japan from time to time, perhaps annually, on the invitation and initiative of their government, to help in realizing the new concepts embodied in their present constitution?

4. Will it not be necessary to do more to break down barriers now created by the West’s attitude toward the yellow race? Is there not need for affirmative measures to promote cultural exchanges and to permit immigration in the United States at least on an equality with the Chinese and Indians? Should any effort be made to get the Australians and New Zealanders to change their attitudes toward this problem?

5. The Japanese Constitution contains good provisions with respect to human rights and fundamental freedoms. However these, or corresponding Treaty provisions, will not alone suffice. Will there not be need to encourage religious and social activities, publications, movies, etc., which constantly and increasingly impress the Japanese people with the desirability of greater individualism as against their tendency to extreme conformity and convention in all aspects of life. Perhaps, having regard to the nature of Japanese problems, some of the Scandinavian efforts at cooperative action would be more helpful than our greater individualism. Extreme Japanese conformity has a close affinity with the conformity idea which is fundamental in Soviet Communism and only if this conformity idea is diluted in Japan will there be an effective barrier to the regrowth there of totalitarianism. What practically can be done along these lines?

6. Should there not be now developed some sense of governmental responsibility to resist indirect aggression in Japan? Will it not be necessary to have some force with which to do this, such as a police force, constabulary and coast guard? Should not this be begun at once while it can be done under the auspices of SCAP?

CONCLUSION

Must not the question of a Japanese treaty be considered as merely one aspect of the total problem? A Japanese treaty, whatever its words, cannot in itself guarantee the results we want. It can perhaps contribute to these results if it is wise in content and in timing. But a treaty alone will be inadequate unless there are important parallel efforts along other fronts. It may be that the principal attraction to hold Japan in the Free World will be a capitalizing on their desire to be an equal member of the family of free nations, a concept obviously not consistent with the subservience to the Kremlin inherent in the Communist world.
1. The impact of the military occupation should be progressively diminished as now contemplated by NSC policy (13/3).

2. The Japanese government should be encouraged now to develop a police force, constabulary and coast guard adequate to detect and repress indirect aggression. This development should be done under the supervision of SCAP and with its cooperation. It would share in a screening of the enlisted personnel and their officers to be sure, so far as possible, that they will not be the nucleus of a militaristic and repressive organ of government.

A treaty to be presently negotiated would:

a) provide for a progressive reduction or ending of military occupation;

b) provide full opportunity for peaceful economic development, without reparation and with a minimum of, or no, special economic restrictions; (This does not exclude the possibility of bi-lateral arrangements restricting 1A and 1B goods, which may be made in connection with an economic aid program or security guarantee.)

c) avoid post-treaty control machinery in Japan to supervise execution of the treaty, except perhaps in regard to methods of mass destruction;

d) provide that Japan will apply for admission to the UN and that other parties will seek prompt favorable action on such application.

The following security arrangements would either be included in the general treaty or in a more restricted agreement between the parties participating in the preliminary conference (see Tab 4) which wished to join:

a) take note of, but not embody contractually, the military renunciations of the Japanese Constitution;

b) take note of the possibility of delay in Japan’s admission to the UN, and also that the Security Council is not yet in a position to exercise responsibility under Article 42 of the Charter; accordingly the parties agree that Japan will act in accordance with the principles of Article 2 of the Charter for the maintenance of international peace and security and will have the corresponding benefits and protections of those principles;

c) provide that the undertakings of paragraph b) above will be operative for a period of _____ years, subject to renewal, but in any event will end with the admission of Japan to the United Nations and the assumption by the Security Council of the responsibilities of Article 42;

d) provide that the present Allied occupation forces in Japan shall begin a phased withdrawal from Japan to be completed within a period of _____ years, except that certain agreed points will be held
by combined forces of the parties to assure the result contemplated by
(b) above, as well as to assure the consummation of the surrender terms
as regards any parties to those terms who have not merged their rights
as belligerents into the new arrangements.

(a) to (d) above are subject to further clarification of the views
of the Defense Department.)

Tab 4

The procedures in relation to treaty making could be:

a) a preliminary confidential communication to the non-Communist
governments of the Far Eastern Commission of U.S. substantive
ideas;

b) modification of U.S. substantive ideas to degree preliminary
reactions to a make such modification seem meritorious; but this does
not imply any pre-Conference formal or complete agreement on de-
tailed texts;

c) calling of a Preliminary Peace Conference of Members of the
FEC plus Indonesia, Ceylon, South Korea and Indo-China (one
vote); the Japanese Government would have available a representa-
tive to be called upon when the conference so desired;

d) both the Nationalist and Communist Chinese Regimes to be in-
vited, with one vote each when they disagree, and a single vote when
they agree;

e) the Preliminary Conference to act by majority vote on pro-
cedural matters; two-thirds vote on treaty terms;

f) the Preliminary Conference to be held in Hawaii in late sum-
mer or fall of 1950 (Query re U.N. Assembly.);

g) calling of a Plenary Conference in Tokyo of all nations at war
with Japan;

h) the U.S. Delegation to both conferences will be bipartisan and,
if divided, to accept Presidential direction. At least two Senators to
be on the Delegation and SCAP and Pentagon to have advisory
status. MacArthur to have signatory status at the Plenary Conference.

Tab 5

ECONOMICS

Due to the decline in market for silk and the higher cost of cotton,
and the fact that it comes from dollar areas, it seems that Japanese
exports will have to be more in capital goods than consumer goods.
This will require greater industrial development and increased use
of iron ore and coking coal, which must be imported. These would
naturally come principally from China, although, by effort, 50% of
Japan’s iron ore requirements might be filled by Malaya and the
Philippines. Coking coal would have to come from the United States,
as is now the case. There could be a greater use of Japan’s own poor
quality coal, but this would require a long term adaptation of the Japanese iron and steel industry to new processes:

Trade with China would be mutually advantageous, but would probably to a large extent be in terms of 1B goods.\(^3\)

Calculations are that, given normal trade between China and Japan, the U.S. aid required can be reduced from the present $270,000,000 to about $25,000,000 in 1955. Without such China trade the figure would probably have to be about $75,000,000 more. This assumes only a slight increase in the standard of living.

It is assumed that Japan will be allowed to build ships for carrying its own trade. Otherwise, the cost of sustaining Japan would be increased by between $75,000,000 to $100,000,000.

It is also assumed that there will not be level-of-industry restrictions or discriminatory trade provisions against Japan by the Pacific and Southeast Asian countries.

\(^a\) For information on this terminology, see pp. 619 ff.

Tokyo Post Files: 320.1 Peace Treaty

Memorandum by the Director of the Office of Northeast Asian Affairs (Allison) to the Acting United States Political Adviser for Japan (Sebold)

SECRET

[WASHINGTON,]\(^1\) June 14, 1950.

The attached document\(^2\) is the most important of all those papers. It was prepared by Mr. Dulles in consultation with Max Hamilton, John Howard, Bob Fearey and myself. We have discussed it with the Secretary and other chief officers of the Department, not with a view to making decisions based on it, but primarily to determine whether or not we were all thinking along the same lines. There was general agreement with the paper, as attached, although there were certain specific objections raised and certain queries. With regard to Tab 3, particularly the security phases of it, there is no hard and fast opinion in the Department. At the meeting with the Secretary, I strongly urged the thorough consideration of a security arrangement providing for a phased withdrawal of occupation forces to be completed within three years after the ratification of the treaty without retaining bases in Japan for a further period. The Secretary expressed general agreement with this idea, on the understanding that the phased withdrawal would be so arranged that should conditions warrant, from a security point of view, it would be possible to reverse the process and retain such troops and bases as might be

\(^1\) It is not certain whether this paper was drafted in Washington or en route to the Far East.

\(^2\) The attachment to the memorandum supra.
deemed necessary. In further discussion it was suggested that such an arrangement might be secured on the basis of mutual agreement of the Japanese and the Commander of the occupation forces on the determination of a real need. However, there are no hard and fast opinions about this matter and we are still on a quest for certainty. It is hoped that you will have an opportunity to read this and think about it; perhaps discuss it with some of the people in your own office so that when we return to Tokyo we will be able to have your ideas with respect to this paper. I leave it to your discretion as to what distribution you make of this paper, but would suggest that it be confined to a minimum.

Mr. Dulles is particularly interested in the answers to the questions raised on page 2 of Tab 1 in numbered paragraph 2. Perhaps Carl Bohringer\(^1\) can be of help on this. We also have a group working on it back in the Department, but the comments of the people on the spot would be most helpful.

JOHN M. ALLISON

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\(^1\) Counselor of Mission in Tokyo.

790.00/6-2950

Memorandum\(^1\) by the Supreme Commander for Allied Powers
(MacArthur)

TOP SECRET

[TOKYO,] 14 June 1950.

MEMORANDUM ON THE PEACE TREATY PROBLEM

1. Three years ago I publicly expressed the view to the Allied Press in Tokyo that the Allied Powers should proceed at once in the formulation of a peace treaty for Japan. I pointed out that in my opinion Japan was then ready for a peace settlement and should not be called upon arbitrarily to remain under the strictures of an economic blockade with consequent limitations upon her rehabilitation because of undue delay in the restoration of peace. I warned that historically military occupations had been shown to have a maximum utility of from three to five years, thereafter people under occupation became restive and the occupying forces assumed increasingly the complex of entrenched power. I added that a post-treaty unarmed Japan should be able to look to the machinery of the United Nations for the safeguard of her political and territorial integrity.

2. Since then the issue of a peace treaty has been constantly upon the agenda of international discussion and has undergone many

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\(^1\) This memorandum is filed as attachment 3 to a memorandum of June 29 by Mr. Allison, not printed (790.00/6-2950). It was shown to Mr. Dulles by June 22.
changes in form as the several Powers from time to time reoriented their respective viewpoints. Basically, however, since the issue was first raised, all of the Powers have found common agreement in the desirability of peace and only a procedural conflict between the Soviet and the other Powers has prevented the holding of a peace conference—the Soviet insisting that it involved a matter which should first go before the Conference of Foreign Ministers while the other Powers, including the United States, adhered to the proposition that it was an issue for direct action by the member nations of the Far Eastern Commission. It is problematical whether the Soviet would have participated in such a parley between all of the Powers as the same was never actually called.

3. During this period the United States has quietly worked upon the preparation of a treaty draft and the nations of the British Commonwealth have held three successive meetings hoping through an exchange of ideas to crystalize a firm Commonwealth peace policy. More recently the Soviet and Communist China publicly espoused an immediate peace treaty for Japan as part of their treaty of alliance and entered upon a campaign of propaganda charging that the Western Powers and particularly the United States bear responsibility for the treaty delay, alleging for its purpose the “colonization” of Japan and its use as a military base from which to mount aggressive warfare against the Soviet and Communist China. Adding to the general confusion and furnishing the Soviet and her Asian Communist satellites with ammunition of destructive value, the international press has made much of revelations that the United States is unable to arrive at a peace policy because of conflicts in viewpoints between the Defense and State Departments, giving emphasis to the idea that the conflict lies in the insistence by the Defense Department that Japan be held as a vital security adjunct of the United States.

4. Only recently the Joint Chiefs of Staff have reviewed their previous position on the treaty problem and reaffirmed their belief that certain conditions must be present to warrant our entry into treaty negotiations. All of such conditions may be discounted as offering no unsurmountable difficulties with the exception of one which requires that the Soviet and Communist China be among the signatories of the final treaty. This, of course, is impossible if the document is to contain adequate security reservations and we are to maintain our present political policy vis-à-vis Communist China. Indeed, if such a condition is to prevail it will foreclose any possibility of treaty action.

5. Although neither as SCAP nor as CINCFE do I share authority for the treaty making, as SCAP I have long been deeply concerned over the psychologically adverse effect upon the Japanese people of protracted delay in moving toward such a treaty, and as CINCFE I have observed with grave misgivings the progressive deterioration of
our military potential under the impact of political and military reverses on the mainland of Asia, with concomitant pressure upon vital segments of our strategic island frontier off of the Asian coast. Indeed, my observation of passing events in Asia and understanding of Oriental psychology have long convinced me that it has been a fundamental error to do nothing pending assurance that we could accomplish all. Thus, even granting the soundness of the JCS premise that the interests of the United States demand inclusion of the Soviet and Communist China as signatories to any treaty arrangement, it does not necessarily follow that all action leading to a treaty must be suspended pending assurance of their agreement to the treaty conditions we ultimately determine.

6. The Japanese people have faithfully fulfilled the obligations they assumed under the instrument of surrender and have every moral and legal right to the restoration of peace. On this point, as before stated, all of the Allied Powers concerned are in full accord and publicly committed and their failure to protect Japan in this right would be a foul blemish upon modern civilization. For this reason and irrespective of the issues joined and ultimate policy objectives, we should not allow ourselves to be deterred from moving invincibly forward along a course which we ourselves and the entire world recognize to be morally and legally right. We should proceed to call a peace conference at once, work out just and proper treaty terms among those in attendance, invite all of the nations concerned, whether participants or not, to ratify the peace formula agreed upon, and thereafter let the nation which obstructs this normal procedure in international affairs or refuses to ratify a just and equitable treaty assume the full onus for any failure to reach an overall accord. Then, not now, would be the time to determine in the light of the existing situation whether to effectuate such a treaty without the Soviet or to maintain the status quo pending Soviet ratification. Thereby Japan and all of Asia would witness the resurgence of our moral leadership and renewal of our initiative in the conduct of Asian affairs.

7. This is our most compelling need of the moment in this quarter of the globe—the regaining of our lost initiative over the events which are stirring all of the Asian peoples. For, it is in the pattern of Oriental psychology to respect and follow aggressive, resolute and dynamic leadership but quickly turn from a leadership characterized by timidity or vacillation. Only recently this found emphasis in the great harm done us in the eyes of the Asian masses by irresponsible official statements suggesting the possibility of our withdrawal from our Western Pacific positions under Soviet pressure—harm which may only be overcome through the drama of a reassertion of positive leadership, the regaining of forceful initiative. The resolute move toward the holding of a peace conference because it is morally right
that such a peace conference should be held—irrespective of its potentialities—would go a long way toward reasserting that leadership and regaining that initiative.

8. On the other hand, our continued delay in calling a peace conference with a view to giving the Japanese that degree of freedom from international restraint which they have well earned and to which they are now morally and legally entitled, cannot fail to result in a progressive deterioration of our position both here and abroad—a deterioration which if long enough extended will inevitably confront us with a situation of general hostility. Soviet propaganda is already attributing to us responsibility for the delay of a treaty. It is not inconceivable that an early Soviet move may be to seize itself the initiative in calling upon the Powers to join it in such a peace conference or proceed directly toward a separate Soviet peace with Japan. In either such eventuality the United States would indeed be placed on the horns of a dilemma and our position would become virtually irretrievable.

9. To safeguard against such an eventuality and to compose the situation in Japan resulting from recent appeals to nationalist sentiment, existing conflict within the United States Government must be bridged to permit early action toward the effectuation of peace. The nature of such conflicts has only recently come to my attention, and it is encouraging to note the relatively small area of disagreement which appears now to exist, providing reason to hope that there is no irreconcilable point of difference.

10. It is my understanding that both Departments agree that the United States policy as expressed in NSC 13/3 [Here follows the first paragraph of NSC 13/3, quoted in Tab B to Mr. Rusk's memorandum of a conversation held May 5, page 1189.], has been “overtaken by events”, although it appears to be the view of State that such events have made it mandatory that the United States now press for a peace treaty, while Defense on the other hand interprets them as necessitating a more positive prohibition against entry into any peace treaty negotiations in the foreseeable future. State’s position is based primarily upon political considerations, while that of Defense finds its direction in overall security requirements. The solution sought is that which will serve the one without doing violence to the other.

11. Two alternative security arrangements have been proposed and currently form the basis of discussion within the government:

[Here follow two paragraphs outlining alternative security arrangements quoted from Tab B to Mr. Rusk's memorandum of a conversation held May 5.]

12. The first proposed security arrangement, providing for a collective security agreement to be entered into concurrently with the conclusion of a treaty of peace, with bases made available to the United States, could not now fail to be interpreted as dictated by
primary American security requirements—with accent upon the defense of the United States rather than the defense of Japan. Such interpretation would reflect a comparatively recent change in Japanese thinking largely brought about by ill-advised statements made by influential persons in the United States laying great stress upon the need for Japanese bases in the United States Western Pacific defense line as a means of preserving United States security. This has aroused a wave of intense nationalistic opposition within Japanese political circles which has been fanned by Communist propaganda that the reservation of such military bases to the United States would be a move toward the “colonization” of Japan and an aggressive threat against the mainland of Asia. In these circumstances, while such a collateral agreement is entirely possible of legal consummation, its value to the United States would be limited by the bitterness and resentments which would thereafter dominate the Japanese mind.

13. The second proposed security arrangement providing for a partial peace with retention under limited application of the present regime of control would be worse than maintaining the status quo, as the resulting situation would be little different from that which now exists, whereunder there has been a progressive relaxation of internal political control and the basis established for the lifting of restraint on external activity as individual nations invite resumption of bilateral intercourse, and far short of what the Japanese have a right to expect from formal treaty action. While the proposed arrangement would legalize and hasten an enlarged scope of Japanese autonomy in its international affairs, it might be viewed as a betrayal by the United States by many Japanese, who would neither understand nor voluntarily accept any formal treaty arrangement which failed to restore full autonomous authority in the conduct of Japanese public affairs. There would be no convincing argument to justify in the eyes of the Japanese the retention of such controls in a formal treaty for which they have worked, and been led to believe offered the means toward the restoration of sovereign freedom. They have heretofore fully understood and accepted the fact that the delay in the restoration of such freedom has been due to the procedural difficulties preventing the holding of a peace conference, but once a formula is found for arriving at a peace settlement, even if only based upon partial representation of the Allied Powers, it would be impossible to explain with any semblance of sincerity or validity the failure to grant the same. Further than this, such failure would furnish the Communists with a propaganda weapon against which there would be no defense, and it would convince many Japanese who have loyally supported the occupation and worked diligently to achieve its stated objectives, that the aims and purposes of the United States conform indeed to the line of Communist propaganda. Such an arrangement
would find little willing Japanese support and arouse much bitter opposition. Its easily discernible weakness would lie not only in its failure to accord the Japanese full political autonomy, but even more in its patent effort to mask the continued occupancy of military bases behind the pretended need for indefinite extension of the existing regime of Allied control.

14. The pertinent provisions of the Potsdam Declaration which set forth the security objective and establish the conditions prerequisite to the withdrawal of Allied forces are as follows:

"(6) There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest, for we insist that a new order of peace, security and justice will be impossible until irresponsible militarism is driven from the world.

(7) Until such a new order is established and until there is convincing proof that Japan's war-making power is destroyed, points in Japanese territory to be designated by the Allies shall be occupied to secure the achievement of the basic objectives we are here setting forth.

(12) The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives have been accomplished and there has been established in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible government."

The foregoing provisions create in themselves a legal basis for security reservations in a peace treaty which are deserving of careful consideration. Narrowly interpreted they might be construed as appertaining solely to "irresponsible militarism" in Japan, with the condition stipulated held satisfied once the same is brought under effective control. Such narrow interpretation would unquestionably be given by elements hostile to the United States. However, it is quite clear to me that a broader interpretation was intended by the framers of the Declaration, (U.S., Britain and China) who clearly sought to see arise in Japan "a new order of peace, security and justice" and correctly estimated that such a new order in an unarmed Japan would be "impossible until irresponsible militarism is driven from the world" and so provided that "until such new order is established . . . points in Japanese territory to be designated by the Allies shall be occupied." Indeed, no other interpretation could reasonably and logically be given the language of the document. True, the framers of the Declaration probably did not then envision that so soon after the formalities of surrender the world would again be aflame in the wake of preda-

*Omissions in this document occur in the source text.
tory forces embarked upon military conquest; that an unarmed Japan and its "new order of peace, security and justice" would lie prostrate at the mercy of such predatory forces victorious on the adjacent mainland once "points in Japanese territory" ceased to be occupied by Allied forces. But by specifically stipulating the time element for occupation as "until irresponsible militarism is driven from the world" they provided the legal basis to secure against just the threat which in such circumstances would exist, and made clear their intention that not only would "irresponsible militarism" be suppressed within Japan but that Japan's warmaking potential would not be available for exploitation by "irresponsible militarism" on the march abroad. They thereby set the stage for a secure basis upon which an unarmed Japan's permanent neutrality ultimately might rest, and made unequivocally clear by so doing that such a destiny alone could foster the well-being of the Japanese people and serve the essential interests of all of the other nations of the earth.

15. Some persons decry as visionary and unreal the road to ultimate political neutrality for Japan. But such persons are blind to realities. They fail to understand that Japan has been completely disarmed and demilitarized by order of the Allied Powers and consequently her neutrality in practical effect has been already decreed by Allied edict—that neutrality in such circumstances is not a concept but an actuality. Overlooking this, they see in the existing international tension mandatory requirements to guide the political pattern of Japan's present and long range future. The exigencies of the present must, of course, be bridged to the potentialities of the future, but to ignore the realities is to plan unsoundly for either present or future. Any effort to reverse Allied policies toward the rearmament of Japan at this time would be accompanied by convulsions in Australia, New Zealand, Indonesia, the Philippines and throughout Asia, and might very well solidify a Pacific bloc against American policy vis-à-vis Japan. Any such move would be accompanied by no less convulsive reactions in Japan itself where the people with irrefutable sincerity have turned scornfully from the militarists and militarism, as the root causes of Japan's disastrous adventure into the conquest and exploitation of others. Additionally, despite remarkable progress toward economic self-sufficiency through the redevelopment of industrial energy, Japan still requires American aid to cover its food deficit and only with greatest difficulty can obtain a bare minimum of raw materials essential to sustain industrial production. Consequently, from a practical standpoint, Japan could not rearm from her own impoverished indigenous resources but would require billions in American aid to build military strength beyond that level merely provocative of attack and exploitation by others. Moreover, from every standpoint, it is more essential that Japan be
denied to the Soviet than that she be an active military ally of the United States. Such denial can best be assured through a firm political alignment resting upon the good will and faith of the Japanese people, with our access to military and naval bases and other available facilities adequate to meet the needs of our security operations. This is in complete consonance with the status of neutrality, both present and future, and Japan’s insular location renders such neutrality feasible both from a military and political standpoint. Our military policy vis-à-vis Japan, therefore, should be oriented to the denial of Japan to the Soviet through the safeguard of its neutrality, rather than an approach to something resembling an outright military alliance.

16. The referenced Potsdam conditions should be fully availed of in the shaping and implementation of treaty policy. For a treaty of peace reserving to the Allies the right to continue to occupy “points in Japanese territory” until “irresponsible militarism is driven from the world” and there is no longer threat to “peace, security and justice” in unarmed Japan would not only adhere to the conditions expressly laid down in the Potsdam Declaration but would preserve the legal continuity of Allied action. It would place the retention of military garrisons squarely up to the Potsdam Declaration upon which the Japanese Communists and the Soviet repeatedly have called in support of their position. Provision should be made in such a treaty for the relinquishment by the Allied signatories of all political power and authority over Japan not directly appertaining to security requirements, and in order to make clear such intention, it should be specifically provided that the existing regime of control, i.e., SCAP, the Far Eastern Commission and the Allied Council for Japan, shall be rendered inoperative coincident with the treaty’s effectuation.

17. To insure that such a course does not generate widespread disappointment and resentment and become a focus for destructive propaganda both in Japan and on the continent of Asia, provision should be made for the ratification of such a treaty, not only by the Government of Japan with the approval of the National Diet, but through a plebiscite by the Japanese people as well, leaving to their ultimate choice acceptance of such Potsdam-provided security requirements as corollary to the restoration of political freedom, or continued adherence to the status quo.

18. I was never in agreement with the reasoning advanced by some that a peace treaty without the Soviet would either favorably alter the Soviet’s legal position vis-à-vis the Japanese problem or be seized upon by the Soviet as the basis for intensified pressure upon Japan. The Soviet has demonstrated time and again that his decisions are based solely upon political expediency and relative military capabilities, without the slightest regard for prior commitment or legalistic reasoning. Any move which the United States makes is fraught with
the danger of Soviet retaliation but hardly more so than is maintaining the status quo vis-à-vis Japan, whereunder the Soviet is smarting with a sense of complete frustration.

19. In view of the foregoing, it is believed that in the search for an acceptable solution which will make possible full accord within our own government and provide it the basis for unified treaty action; consideration should be given to the following:

Alternative Security Arrangement III—That a normal treaty be consummated embodying, however, a security reservation to the effect that so long as “irresponsible militarism” exists in the world as a threat to “peace, security and justice” in Japan, the pertinent security conditions of the Potsdam Declaration shall be deemed unfulfilled and, in view of the attendant threat to unarmed Japan’s “new order of peace, security and justice,” points in Japanese territory continue to be garrisoned by the Allied Powers signatory thereto through United States forces; that when such threat from “irresponsible militarism” ceases to exist, all provisions of the surrender terms shall be deemed fulfilled and all Allied garrisons shall be permanently withdrawn from Japan.

DOUGLAS MACARTHUR

794.001/6-1550

Memorandum of Conversation, by the Officer in Charge of Japanese Affairs (Green)

SECRET

WASHINGTON, June 15, 1950.

Subject: Suppression of the Japanese Communist Party

Participants: Mr. Nicholas Cottrell, Government Section, GHQ, [SCAP] Tokyo

Mr. Green, NA

The question of the possible outlawing of the Japanese Communist Party was raised in the course of a long conversation I had with Mr. Cottrell, formerly of the State Department and now a specialist on local government in the Government Section of SCAP Headquarters.

Mr. Cottrell said that General Willoughby (SCAP’s G-2) recently recommended the outlawing of the JCP on the basis of a well-documented bill of particulars he had built up over the last year against that Party’s illegal activities. His recommendation was opposed by the Government Section and, in ensuing Headquarters discussion, General MacArthur came out firmly against any outlawing of the Party, at least for the present. General MacArthur nevertheless recognized that counter measures were necessary to deal with a Party which was fast becoming openly defiant of the Occupation. The compromise solution finally adopted was, of course, to purge the members of the

1 Marshall Green, Officer in Charge of Japanese Affairs.
Central Executive of the JCP as well as the editors of the Communist daily, Akahata.2

In Mr. Cottrell's opinion this solution avoided many of the pitfalls of outright suppression of the Party and held forth the following advantages: (a) the purging of the JCP leaders is a temporary emergency measure, not a continuing legislative action. (b) It is a measure taken by the Occupation thereby relieving the Japanese Government of a responsibility which it was hesitant to assume as a disarmed occupied nation. (c) It will serve to split the JCP into two conflicting groups, the one operating behind the scenes and underground, and the other consisting of those who would have reason to observe the law lest they be likewise purged.

Mr. Cottrell asserted that, contrary to press interpretations, the purging of the JCP leaders represents a final, not a transitory, stage in Headquarter's present plans for dealing with the Communists.

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2 General MacArthur directed the purge in a letter of June 6 to Prime Minister Yoshida. The text of the letter is contained in telegram 553 sent that day from Tokyo, not printed. (794.001/6-650) File 794.001 contains a number of reports which describe the effect of the purge on the Japanese Communist Party and on Japanese political life in general.

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Tokyo Post Files: 320.1 Peace Treaty

Memorandum by the Consultant to the Secretary (Dulles)1

SECRET

JUNE 15, 1950.

1. While there probably cannot, and should not, be an abrupt transition from full SCAP control to full Japanese control, there should be some drama incident to an inevitably changing regime. A mere dwindling away of SCAP authority would belittle it and it might impair the great moral authority of General MacArthur, an authority which should be preserved as a continuing asset which, in a different setting, would still be of decisive value in the future.

2. Probably an International Conference and Treaty would be the best psychological approach, even though the Treaty itself, or supplementary agreement, reserved certain powers or provided for a phased relinquishment of SCAP authority, and even though the USSR and Communist China were not parties.

3. Much depends on whether the JCS want to use Japan generally as a major advanced offensive air base. That decision, if adopted as U.S. policy, would have many consequences in terms of relations with, and responsibilities for, the Japanese. An alternative is some form of

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5 An unsigned handwritten marginal note reads: “This is a statement of basic principles by John Foster Dulles.” This memorandum was presumably written en route to the Far East.
defensive guarantee, stiffened by a continuing presence of some skeleton U.S. force.

4. Also relevant is U.S. policy in relation to South Korea and Formosa and the impression given Japanese and Russians as to our will to stand fast in these environs of Japan. In this connection see draft of JFD Korea speech.²

5. It is not believed that Russia's attitude will be determined primarily by the legalisms of formal agreements or lack of them, as much as by the answers to 3 and 4. Russia has never been restrained, by agreements, from indirect aggression but probably would not engage in direct attempt to occupy Japan with military force unless and until general war should be determined on by the Politburo.


² Perhaps a reference to a draft of Mr. Dulles' statement of June 19 made before the National Assembly of the Republic of Korea in Seoul. For text, see Department of State Bulletin, July 3, 1950, p. 12.

Memorandum by the Financial Attaché of the Mission at Tokyo (Diefb) to the Acting United States Political Adviser for Japan (Sebold)

CONFIDENTIAL

Tokyo, June 20, 1950.¹

Subject: The Allison Memorandum ² on Creation of a Special Yen Fund to be Paid by the Japanese Government for United States Aid to be Granted or Loaned by the United States to South Asian Countries.

The Proposal rests upon two basic assumptions:

1) That Japan will require about $160 million in aid from the United States in FY 1952 and OIR estimates that with the adoption of the proposed program it will be at least five years before Japan achieves

¹ This memorandum was handed to Mr. Allison at some time during the second visit of the Dulles mission to Japan: June 21-27. (Memorandum by Mr. Sebold to Mr. Allison, June 28, 890.10/6-2850)

² Not found in State Department files. Documents in files 890.00, 890.10, 890.131, 894.13, and 894.131 for 1950 indicate that variations on the proposal described and analyzed above had been under intensive consideration in both E and FE that spring. In a letter of June 16 to Joseph M. Dodge, Financial Adviser to SCAP and Fiscal Adviser to the Under Secretary of the Army, Edward W. Doherty, Officer in Charge of Economic Affairs in the Office of Northeast Asian Affairs, had said in part that the yen fund proposal had been "tentatively" approved in the Department. (894.10/6-1650)

³ In a memorandum of March 14 to Mr. Butterworth, Mr. Allison had said in part that the yen fund proposal, "... if approved, may be the answer to the Army's proposal set forth in NAC [NSC] 61 for coordination of Far Eastern Aid programs." (894.00/3-1650) NSC 61 of January 27, 1950, and its later variants are not printed. (Executive Secretariat Files: Lot 63D851) Neither the yen fund nor the NSC 61 proposal was effected.

507-851—76—78
self-support and if the program is not carried out it is unlikely "that Japan will be able to maintain politically tolerable living standards on a self-supporting basis at any time in the foreseeable future."

2) "Countries which should be markets for Japanese goods and which desire them are unable to make payment either in usable currencies or in foodstuffs and raw materials which Japan might need."

1. These assumptions are open to serious question. Cumulative evidence indicates that Japan is in fact much closer to self-support than the above forecast. The Japanese Government is currently providing, through the Termination of War Account, unrequited goods and services to the Occupation which, under normal accounting procedures, would be counted as invisible exports. This item now approximates the value of U.S. aid; hence, Japan is very close to paying its own way.

During the last year, Japan's dollar balances have risen steadily and are now in excess of $270 million, exclusive of $125 million in gold. OJEIRF and PL 820* financing, totaling about $100 million, has been fully repaid. The Japanese standard of living has risen substantially since 1945. Average calorie consumption was estimated at 1830 per capita in FY 1946 (by the Department of the Army) and at 2075 for FY 1950. The Japanese Welfare Ministry, in a survey completed in May 1950, estimates that urban inhabitants averaged 2016 calories a day in 1949 and that in agrarian communities the figure was 2280; population increased by 1,700,000. That the standard of health has improved substantially is verified by the Education Ministry which surveyed 16,390,000 school children in 1949, the survey revealing measurable increases in height and weight for both boys and girls. Despite a steadily expanding volume of exports and increasing domestic consumption, nearly $100 million worth of unsold stocks have accumulated. Rejection of staple cereal rations exceeded 40,000 tons in March and April, and in some areas it is reported that stockpiles grew moldy and had to be disposed of as fodder.

In the face of this substantial improvement and current strong position, the assumption that Japan has and will continue to have a serious balance of payments gap as a fixed point of reference it seems to me is misleading and unsound. It represents a substantial underestimation of the strength, ability and industry of the Japanese economy. It may be well to recall that prior to the war in the fields of shipping, banking, trade, and scientific and industrial development the Japanese were the unquestioned leaders of the Far East. Japan's productive efficiency even under present conditions is so highly regarded (and feared) by foreign private and government competitors that powerful pressures are constantly applied to prevent Japanese economic resurgence.

* Approved June 29, 1948. For text, see 62 Stat. 1098.
2. The balance of payments position of Japan is a result not of one but of manifold causes, including the following:

a) The pursuit of intensely nationalistic policies particularly by the newly independent states of the Far East. These policies have resulted in the fixing of absolute quotas on or prohibition against the importations of Japanese goods.

b) Prejudice against dealing with Japan.

c) Heavy military and other domestic expenditures throughout Southeast Asia in preference to economic development projects which might utilize Japanese goods.

d) The prevention of the development of a full-sized, major power Japanese merchant marine. (This has required Japan to pay about $250 million annually to foreign shipping companies while its own ships lie idle. Japan’s tonnage which is now tied up is reported at 900,000.)

e) Refusal to permit the opening of Japanese commercial and industrial branches and offices abroad.

f) Refusal to admit Japanese foreign traders in certain important foreign markets.

g) Refusal to permit Japanese banks and insurance companies to perform customary financial services to facilitate foreign trade.

h) The enforcement of limitations on tourist facilities offered by Japan.

i) The continuance of Japan’s default on its external debt and uncertainty on the part of foreign investors with regard to Japan’s ultimate economic position, with perhaps heavy reparations claims.

j) Political and economic instability approaching chaos in areas which were formerly important trading centers throughout the area. Notable is the decimation of Japanese-Chinese trade.

k) Absence of a trade agreement with the United States.

A glance at the above items, which are indicative rather than inclusive, points away from any credit scheme as a primary solution to Japan’s balance of payments deficit. The basic postwar economic disequilibrium in the Far East in the form of over-consumption and under-production with ever increasing populations cannot be solved by means of one shot or perpetual U.S. financial subsidy. In contrast, alteration of any one of the above factors could materially improve not only the Japanese balance of payments position but other areas in the Far East. The one commodity which Japan has in superabundance is labor in its variety of skills, Japan produces and can greatly expand its production of luxuries for a luxury market. Silk brocades of high value and containing little raw material, lacquered articles, porcelain and china, oriental objets d’art, Chinese-type rugs, and handicraft silver products, are indicative of this type of potential export. But the Far East in general is swinging to austerity. India, Pakistan and Korea have applied strict controls to prevent the importation of luxuries. In contrast, the United States as the biggest
luxury market in the world could provide a substantial increase in dollars to Japan if an arrangement were made to cut the U.S. tariff on Japanese goods, say by 50 per cent. Any program to balance Japanese trade on the basis of the manufacture and export of capital goods may develop a trade pattern so artificial that it could not be continued on a business basis after the termination of American aid; therefore, an extended period of further aid might be regarded as necessary. Without indigenous sources of iron and steel and most other basic raw materials, it is erroneous to assume that Japan’s recovery must rest upon capital goods export.

3. Other factors endangering success under the proposal are:

a) Adoption of the program would remove an effective instrument of fiscal policy under American control to achieve stabilization of the Japanese economy. Inflationary factors have not been fully eliminated, and, were the Counterpart Fund to be restricted solely to export financing, inflationary factors might again regain control in Japan.

b) The adoption of this program and creation of an agency to administer it could easily become an important element in perpetuating aid to Japan longer than necessary to the detriment of a strong, viable Japanese economy and at unjustified cost to the U.S. taxpayer.

c) Pressures to utilize the full amount of the funds available would inevitably arise and might result in ill-conceived projects and wasteful administration.

d) There have been repeated assertions from responsible U.S. Government officials to the effect that a greater degree of operational responsibility is being given to the Japanese Government in controlling its own affairs. These statements and implementing actions have been warmly received by the Japanese. Under current procedures the Economic Stabilization Board and Ministry of Finance, Japanese Government, prepare plans and programs involving the use of Counterpart funds. Of course, these plans are subject to SCAP and Washington review; but the Japanese feel that they have an important voice in determining the uses to which these funds are put. It would be regarded as a major step in the opposite direction if the Counterpart Fund were removed entirely from Japanese control and administered by any outside agency. It further appears appropriate to afford the Japanese the right to select those imports deemed most essential to its requirements and to purchase them wherever the purchase can be made to best advantage if the Japanese Government is required to make full payment for U.S. aid imports either in yen or in dollars.

e) To create a U.S. agency to loan as much as ¥2 billion annually to other areas would render exceedingly difficult exchange control operations by the Foreign Exchange Control Board. Rather than creating this new external organization, it would seem more advisable to give a maximum of discretion and responsibility to the Japanese in financing its foreign trade, emphasizing the mutuality of U.S. and Japanese objectives. Many Japanese leaders are disturbed at Soviet expansion in Asia and not only oppose it, but would like to line up with us in opposition. That cooperation, however, is a far cry from being placed in a position where they are told: “Here are the goods
you need from the United States. You are directed to pay for them in yen and we will spend the yen as we see fit.”

W. W. DIEHL

NA's monthly economic report for the period June 9 to July 19 read in part: “Proposals to make yen proceeds of U.S. aid supplies to Japan available to countries of South and Southeast Asia for development purposes were discussed by Mr. Thorp ... with General Magruder ... [who] raised a number of objections of which the principal one was that it would not be fitting to exact payment for U.S. aid imports at the same time that Japan was making large expenditures to maintain U.S. forces. It was agreed to establish a Working Party of State and Army officers to examine the proposals further.” (Attachment to memorandum from Mr. Allison to Mr. Rusk, July 21, 894:00/7-2150)

Evidence of further consideration of this proposal during 1950 has not been found in State Department files.

790.00/6-2950

Memorandum by the Supreme Commander for the Allied Powers (MacArthur)

[TOkyo,] 23 June 1950.

MEMORANDUM ON CONCEPT GOVERNING SECURITY IN POST-WAR JAPAN

1. The concept that the defense of a land area necessitates only reservation of pre-determined points for air, ground and naval concentrations has been outmoded by the accelerated speed and power of modern war. In place thereof, the entire land mass must be regarded as a potential area for maneuver with adequate provision made to insure complete freedom of strategic planning and tactical disposition to meet any change in the requirements for successful defense.

2. Translated into specific reference to the Japanese problem, the following general formula should prevail: The entire area of Japan must be regarded as a potential base for defensive maneuver with unrestricted freedom reserved to the United States as the protecting power through her local commander, acting in the normal chain of command to the Department of Defense, to take such strategic dispositions as may be necessary to adjust defense planning adequately to cope with any change in the potentiality of external threat and in the event of hostilities to take such tactical dispositions as the military situation may from time to time require. Thus, by avoiding emphasis upon any specific points to be reserved as "bases" for use of the security forces, not only will the reservation be realistically drawn to meet the requirements of modern defense but the distasteful connotation given the term "bases", as legitimate spoils of war, may be avoided.

1 This memorandum is filed as attachment 4 to a memorandum of June 29 by Mr. Allison, not printed (790.00/6-2950). For explanatory material, see Mr. Dulles' memorandum of June 30, p. 1229.
To further correct any adverse psychological effect upon the national sentiment of the Japanese people, provision should be made that except in time of hostilities or imminently threatened hostilities no major change in the disposition of the security forces shall be made without first consultation between the United States Military Commander and the Prime Minister of Japan; apart from this, the protecting power should maintain security forces on Japanese soil on a fully "pay as you go" basis, with the identical responsibilities, vis-à-vis the local populace which exist in the United States, i.e., the security forces should have neither responsibility nor authority to intervene in the internal affairs of Japan and should under conditions of peace bear full responsibility for damage to property and injury to persons resulting from military operations or the tortious acts of military personnel. The Japanese police forces would of course be increased to a size and character adequate for internal security.

3. Such a reservation would be fully understood and I believe accepted by the Japanese people who from experience have come to hold as beneficent the presence of American troops in their midst, and would welcome the contribution to their national economy reflected from a "pay as you go" basis which under present conditions would mean approximately $300,000,000 annually or about the difference between the existing deficit economy and a completely self-sustaining economy. There appears to be no insuperable problem in the working out of a security reservation along these lines.

4. In any study of the Japanese problem it must be understood that despite Japan's constitutional renunciation of war its right to self defense in case of predatory attack is implicit and inalienable. In such a situation Japan would muster all of its available human and material resources in support of the security forces committed to its defense.

DOUGLAS MACARTHUR

694.001/6-2750: Telegram

The Acting United States Political Adviser for Japan (Sebald) to the Secretary of State

SECRET

Tokyo, June 27, 1950.

636. Visits of Secretary Johnson, General Bradley and Dulles¹ have aroused in Japan a truly astounding amount of enthusiasm and speculation regarding possible peace treaty in the near future. This speculation may of course be ill-founded, but it is nevertheless real

¹The Defense Department party was in Japan from June 17 to June 23 and hence its stay overlapped that of the Dulles group, which was in Tokyo during a plane stopover on the 17th and was again in Japan from the 21st to the 27th. In his memoir Mr. Sebald stated: "If they ever met as missions during their visits to Japan, I was unaware of it." (William J. Sebald, With MacArthur in Japan: A Personal History of the Occupation, (New York: W. W. Norton, 1965)
and with natural desire of Japanese for early peace under some acceptable terms, is easily understandable. The events in Korea have demonstrated to Japanese the dangerous import of Communist line of over-all [garbled], no bases and connotation of immediate withdrawal of American troops. As matter of timing, therefore, it appears to me that a serious psychological let-down would result from further inordinate delays in arriving at some definite course of action designed to restore sovereignty to Japan either by treaty or other means. While it is generally appreciated that subsequent decisions and steps must necessarily await return of Dulles, I believe it essential that serious cognizance be taken of protreaty atmosphere presently prevailing here and that no time should be lost in the formulation of firm and dynamic US position on the question of the future of Japan.

Sebald

p. 252.) However, in a letter of August 1 to Secretary Johnson, not printed, Mr. Acheson indicated his belief that Mr. Dulles had discussed treaty matters with Mr. Johnson in Tokyo as well as in Washington. (694.001/7-2750)
2 Sent as "Peace"; not corrected on the Department's action copy.
3 That is, his return to Japan.
4 In the course of an undated letter to Mr. Dulles apparently written soon after his receipt of Mr. Dulles' note to him (not printed) of July 4, Mr. Sebald stated:

"With an active 'war' under way in Korea, with its pressure of first things first, it is asking a lot to request our harassed policy makers quietly to sit down and think out an immediate course of action leading to peace with Japan. I feel strongly, however, that this should be done, not only for our own benefit, but also for the advantage of Asia as a whole. It appears to me that we are placing the cart before the horse when we speak of stabilizing Southeast Asia, where our influence is still relatively thin, and yet are unable to find a solution of the Japanese problem over which we hold the final decision. Once the matter of Japan is handled in definitive fashion, I believe our position vis-à-vis Asia as a whole would be tremendously strengthened. And finally, unless something is done soon to get the United States 'off the hook' in Japan, I have an uneasy feeling that the situation here will eventually get out of hand and result in a severe political defeat for us in Asia. But as you so rightfully say, all this is a generality, true enough, but how to do it is the kernel of the difficulty."

(Lot 51

D423)

Memorandum by the Consultant to the Secretary (Dulles) 1

TOP SECRET

[WASHINGTON,] June 30, 1950.

At my conference with General MacArthur on the morning of Thursday, June 22, I suggested that it would be useful if he would elaborate somewhat the idea expressed in the concluding paragraph of his memorandum of June 14 2 with reference to security arrangements. The General said he would do so and prepared the memorandum of June 23, 1950. 3

1 This memorandum was distributed to the Secretary and to Messrs. Jessup, Rusk, Kennan, Hamilton, Allison, and Fearey.
2 Ante, p. 1213.
3 Ante, p. 1227.
In further discussing this concept of security with General MacArthur I mentioned that any arrangements about security with Japan should be cast in the mold of overall international peace and security rather than in terms of any special advantage to the United States at the expense of Japan. In this connection I prepared and handed to General MacArthur a memorandum of which a copy is attached indicating what would be the “normal” procedure if the United Nations were operating one-hundred percent and suggesting that arrangements with Japan could be assimilated put into the mold of the United Nations concept so that facility [sic] made available by Japan would be considered as part of the structure of international peace and security. General MacArthur at that time and at a subsequent conference said that he fully agreed with such a presentation as being the way to make the arrangement acceptable to the Japanese people.

[Attachment]

The normal procedure would be:
1. A peace treaty with Japan;
2. Japan’s admission to the United Nations;
3. Agreements by Japan making available to the Security Council military “facilities—necessary for the purpose of maintaining international peace and security” (Article 43);
4. “Pending the coming into force of such special agreements referred to in Article 43” the five Permanent Members of the Security Council would take “such joint action on behalf of the Organization as may be necessary for the purpose of maintaining international peace and security” (Article 106).

It is suggested that pending Japan’s admission to the United Nations and the coming into force of Article 43 agreements, that Japan would make comparable agreements for military facilities with the United States acting under the Potsdam Declaration as representative of the signatories, these facilities to be merged into the international security system of the United Nations when it is finally established.

794.00/7-750

Summary Report by the Consultant to the Secretary (Dulles) ¹

SECRET

[WASHINGTON,] July 3, 1950.

The following is a summary account of the various interviews had in Japan by Messrs. Dulles and Allison on their recent trip. It excludes

¹ This report, drafted by Mr. Allison, was distributed to the Secretary and to Messrs. Kennan, Rusk, Jessup, Hamilton, and Fearcy.
all mention of the interviews with General MacArthur as they will
be treated separately;² and does not make any attempt to give detailed
memoranda of the various conversations, but does attempt to reflect
faithfully the various points of view presented. General MacArthur
made it clear from the outset that we could talk to anyone and about
anything and that there were to be no restrictions either on what we
said to our various contacts or what they said to us.

After six days of constant interviews with a great variety of ob-
servers, Japanese and foreign, official and non-official, we came away
from Japan with the definite impression of a confused and uncertain
people. There was little evidence that the Japanese had thought
through the significance of their position in the world of today. Prior
to the attack by North Korean forces on South Korea, Sunday,
June 25, the one thing which could be said with certainty was that
the trips to Japan of Secretary Johnson, General Bradley and our-
selves brought to a focus strong Japanese expectancy that the United
States would take positive action toward expediting a total peace
settlement. Failure to have moved in this direction would have caused
great disillusionment and resentment. With the North Korean attack
and successes and the consequent increasing Communist menace, the
Japanese began to see that there is no simple solution of their security
problem. During a reception given by the Chief of the Diplomatic
Section of SCAP to permit us to meet a large number of Japanese
leaders on the afternoon of Monday, June 26, after the North Korean
invasion, there was more open admission than had previously been
obtained of the continuing need of United States military forces’
remaining in Japan. The Ji ji Shimpo said editorially, for example, on
June 26, in speaking of the fighting in Korea:

“...³ And if Japan wants herself defended by the United States,
she should voluntarily offer the strategic parts of her territory as
American military bases.”⁴

In varying degrees, all Japanese with whom we talked complained
of their lack of independence and of the interference of the SCAP
bureaucracy in Japanese political and economic life. This criticism
seemed to Allison much more vocal and intense than when he was last
in Japan during January, 1948.

Prime Minister Yoshida accused junior Japanese officials of using
the excuse of SCAP orders to take action contrary to the desires of
Cabinet Ministers. He also said that if Japan is to play any signif-
ificant role in the Free World the spirit and initiative of the Japa-
nese people must not be shackled by too extended an occupation. Mr.

² See the memorandum, supra.
³ Omission in the source text.
⁴ Information on the place of Japan in overall United States strategic planning
after the outbreak of the Korean conflict is scheduled for publication in volume 1
(U.S. national security policy—particularly, documents NSC 73. July 1, and NSC
73/4, August 25).
Yoshida was vague as to what exact role he envisioned for Japan and did not commit himself on post-treaty security arrangements. He implied that satisfactory arrangements could be concluded, but he could not be tied down as to exactly what he meant. He talked at some length in a rather academic manner about how the nations of the Free World would come to the aid of Japan if Japan would prove it had learned the lesson of the the war and was firmly attached to democratic principles. There was no apparent realization that it would take more than good intentions to protect Japan, and there was a reluctance, in the face of prodding, to admit that Japan would have to contribute its share in some form or another. Mr. Yoshida, in common with most of the Japanese with whom we talked, seemed to be hoping that Japan’s renunciation of war and armed force in her new Constitution would make it possible for Japan to remain apart from the struggles and dangers of the rest of the world.

A slightly different shading of this same point of view was given by Baron Shidehara, Foreign Minister at the time of the Manchurian Incident of 1931 and at present President of the House of Councillors. Baron Shidehara was emphatic that there should be no revival of militarism in Japan and that any rearmament would be far too expensive. He wanted American forces to remain under some arrangement or other for he said that the Communists had been allowed too much liberty and that if American forces were withdrawn at once the Japanese would not be able to contain possible Communist activity. In lieu of rearmament and a permanent occupation by American forces Baron Shidehara expressed the opinion that the solution of the security problem for Japan lies in passive resistance or non-cooperation with an aggressor. He claimed there was strong sentiment against Russia among the Japanese and that if Japan should be attacked and overrun by the Russians the Soviet occupying forces would find that there would be no cooperation such as the Americans had received and that, although many Japanese might, as a result be killed, nevertheless the Russians could not kill 80 million people and hence in the end their military victory would prove a failure. Baron Shidehara was the only one with whom we talked who expressed this rather extreme view.

Interestingly enough, the only Japanese who expressed a desire to see Japan rearmed was a representative of organized labor. According to this man, the Japanese could never be independent and free as long as they had to depend on others for their protection. Most Japanese seem to think it important for the United States to make clear its position vis-à-vis the Soviet Union in the Far East, but with the exception of the labor union man mentioned above they nearly all balked at Japan’s taking any active part. Mr. Horinouchi, former
Japanese Ambassador \* to the United States, did recognize the necessity of Japan's contributing in some way, and he expressed the opinion that whatever security arrangements were made, they should not be bilateral between the United States and Japan alone, but should, if possible, be tied in, in some manner, with the United Nations. Such Japanese as had given real thought to the security problem and recognized the necessity of some form of Japanese contribution tended to agree with Mr. Horinouchi. Some of the Japanese we interviewed stated that if the United States did not protect Japan, Japan would have to look elsewhere, and there was the clear implication that the only way to look was toward Moscow.

As noted above, it was one of the representatives of organized labor who advocated the rearming of Japan. However, other labor representatives who talked to us at the same time took the opposite point of view and most of them seemed to agree with the general opinion of the other Japanese that Japan should not rearm but should nevertheless continue to be protected by the United States, preferably from long range. One of the more radical labor representatives charged that the United States interest in having a peace treaty with Japan was not due to any interest in the Japanese, but merely because this would serve U.S. interests. The Japanese, this man said, wanted independence for themselves; they wanted to be left alone and they did not like the occupation, particularly the effect of the Dodge policy on the laboring man. They also raised questions about U.S. policy toward trade with Communist China and were quite vociferous in their denunciation of SCAP controls over the Diet and other Government agencies. One of them said specifically that the Japanese Diet was not Japanese but an imposed Diet and pointed out that the Socialist Party had attempted to make amendments to the Constitution but had been prevented by SCAP from submitting such amendments to the Diet. One of the more conservative labor leaders agreed that there was no basis at present for an overall peace and that it would be necessary to go ahead probably without the Soviets. This same man, however, emphasized that whether or not a peace treaty came about it would be necessary to continue U.S. economic help until at least 1955. The labor representatives seemed to agree that it would not be possible to combat Japanese Communists through Government persecution or pressure and they claimed that only democratic means should be used in taking action against the Communists.

In addition to talks with Japanese Government officials and private individuals, we talked with the leaders of the opposition parties. Premier Yoshida had recently made an appeal for non-partisan approach to the problem of the peace treaty and the leaders of both the

\* Kensuke Horinouchi, Ambassador to the United States from 1938 to 1940.
Socialist and Democratic Parties stated that they were in favor of this approach, but they were not convinced of the sincerity of Yoshida’s appeal. This was particularly true of Mr. Tomabechi, Chairman of the Democratic Party, who expressed definite doubt as to whether Mr. Yoshida’s move was not a political one. According to Mr. Tomabechi the press accounts of the attitude of the opposition parties to an overall peace treaty had been greatly exaggerated. While it was true that the opposition parties were agreed that an overall peace treaty including the USSR would be the most desirable, nevertheless, at least as far as the Democratic Party is concerned, it would be willing to proceed without the Soviet Union if that should appear to be necessary. According to Mr. Tomabechi, Prime Minister Yoshida went on the theory that only the government in power could be responsible for foreign affairs and that the other parties should automatically agree with what was done. Mr. Dulles took pains to explain to the leaders of the three main parties, Prime Minister Yoshida, Mr. Tomabechi, and Mr. Asanuma of the Socialist Party, the importance of a unified approach to foreign policy, and that if the party in power at any one time operated on its own without having sought and obtained the general approval of opposition parties, it would be difficult for any country to place confidence in the foreign policy. Mr. Dulles pointed out that parties can be defeated and if the foreign policy of the country is to be reversed whenever a new party comes into power it makes it almost impossible for other countries to have confidence in the acts of a nation. It is therefore essential that true cooperation in foreign policy be practiced and that the opposition parties be given an opportunity in some manner to participate in foreign policy decisions. Mr. Dulles pointed out that the fact that he, a member of the opposition party in the United States, had been designated to come to Japan and deal with this important problem showed that the United States for its part was making an honest effort to obtain bipartisan cooperation and that Japan in the same way should make such an effort.

Among other points raised by Mr. Tomabechi in connection with a peace treaty and the possible withdrawal of American forces was the fact that there were still not adequate safeguards for peace and order within Japan itself by indigenous organizations. He intimated that the Japanese police was not strong and unified enough to cope adequately with any Communist agitation which might arise and that hence, although the time for general occupation controls to cease had come, the problem of internal peace and order was a real one. This same point of view was expressed by many other Japanese, in particular by Mr. Okazaki, Chief Cabinet Secretary, who spoke to

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*Inejiro Asanuma, Secretary-General of the Social Democratic Party.*
Allison at the June 26 reception mentioned above, and by an officer of the National Rural Police, who would not wish to be identified, who during a private dinner with us and some other Japanese expressed great concern at the inadequacy of the police organization. This concern over the organization of the Japanese police and its inability to deal with internal troubles without the backing of American armed forces was one which was common in almost all circles in Japan except official SCAP circles. There was only slight evidence in talks with SCAP officials of a realization that perhaps the decentralization of the Japanese police had gone too far.

Members of the Diplomatic Corps with whom we talked were often as vague as the Japanese. During a long conversation with British Ambassador Gascoigne, no really new thoughts were expressed concerning British policy which were not already known to us and to the Department. The Ambassador reiterated that the security problem could be settled by a bilateral agreement outside the treaty between the United States and Japan and seemed to assume that the whole defense burden would fall upon the United States. The Ambassador attempted to draw us out on specific items of a possible treaty and, though we did not respond, he expounded some of his own ideas. The only one which went further than anything we had had officially so far was his definite statement that the United Kingdom did not insist on a treaty containing limitations on the size and speed of Japanese merchant ships nor apparently on the total tonnage of the Japanese merchant marine. However, he did say specifically that the United Kingdom would oppose Japan's having any shipbuilding capacity in excess of that required for its own needs. In other words Japan should not be allowed to engage in shipbuilding for foreign account. Most of the members of the Diplomatic Corps believed that an early treaty was necessary and possible, but this view was violently opposed by Australian Ambassador Hodgson who frankly took a position in opposition to that of his Government. He assumed that any treaty would mean either the withdrawal of U.S. forces, which he deemed unwise, or else active Soviet opposition, which would have at least a shade of legal justification.

American missionary leaders, both Protestant and Catholic, with whom we talked agreed that in many respects Japanese customs and history made them more susceptible to Communism than western people. They also seemed to feel that democracy had not taken sufficient root in Japan to justify complete withdrawal of U.S. forces at an early date. One of the missionaries went so far as to say there would be a civil war between the right and left in Japan if the country were left to itself. While other members of the missionary group seemed to agree, they also expressed the opinion that there was inherent contradiction in using a dictatorial political and military occupation
to teach democratic ways and that this contradiction was becoming apparent to the Japanese. The view was strongly expressed that if Japan was to be kept on the side of the Free World it would be necessary for the western nations to adopt much more liberal attitudes toward racial differences and such matters as restrictions on immigration of Japanese to the United States.

A representative group of American businessmen was unanimous in agreeing that occupation controls, except in the most general form, should go. They were also, generally speaking, pessimistic about Japan’s economic prospects unless it could trade with the Asiatic continent. There was but little optimism expressed about the possibility of Japanese increasing exporting of capital goods, mainly because of the poor quality of the Japanese product. This was illustrated by the fact that Korea had recently purchased a cigarette manufacturing machine from the United States rather than from Japan, although the price was almost double, due to the fact that rejects from the Japanese machine were 1 in 20, whereas those from the American machine were only 1 in 10,000. There was some hope expressed that Japan might regain its former rayon trade, but it was pointed out that the Japanese rayon industry now had only 17 plants compared with 47 before the war. The one industry which all agreed should be revived was tourism, but it was pointed out that this would be difficult as long as the United States Army continued to occupy 27 out of the 32 finest hotels in the country. As did Japanese businessmen and the economic officers of SCAP, the Americans stressed the importance of the revival of the Japanese merchant marine. It was claimed that one-third of every export dollar goes to American shippers. However, American businessmen were skeptical about any early favorable results, even if restrictions were removed at once—for Japan would either have to buy or build a new merchant marine—and she would not have the money to do the former and the latter would take many years. An acute shortage of capital funds and excessive interest rates were said to be the chief restrictions on capital developments.

The final interview of importance was had by proxy. On one evening, through the courtesy of an American journalist, we were invited to a dinner with four representative Japanese who were encouraged to speak freely, and who did so, because of the fact that at this meeting as in the case of few other meetings, there were no occupation officials present. Among those present was Marquis Matsudaira of the Imperial Household. As a result of his participation in the meeting, we received a message the afternoon before our departure from Tokyo that Matsudaira had come to our journalist friend and given him an oral message from the Emperor to be conveyed to us. The main point of this message was that, generally speaking, when officials from the United States came to investigate conditions in Japan they only saw
Japanese in the Government or Japanese who had been officially approved by SCAP and that many intelligent Japanese were not available for consultation. According to this message SCAP apparently feared contacts with some of the older Japanese because of their alleged former militaristic outlook; and it was pointed out that the Imperial Household had in the past had considerable experience with the Japanese military and certainly had no desire to see its revival or the revival in Government of people with militaristic and aggressive tendencies. Nevertheless, many of the older people, the majority of whom have been purged, would be able to give most valuable advice and assistance to Americans interested in future relations between our two countries. It was suggested that before any final action with regard to the peace treaty, particularly with regard to the detailed provisions of a peace treaty, be taken there should be set up some form of advisory council of Japanese who would be truly representative of the people in Japan, both official and non-official, and who would be able to be of real aid in helping to obtain a peace settlement which would be lasting and in the interest of both countries. Mr. Dulles agreed that such an advisory council would be of value, but pointed out that obviously the initiative for such action must come from the Japanese as any American attempt to set up such a council of Japanese would defeat the purpose for which it was being formed, that of being a funnel for the expression of true Japanese opinion.

Lot 54D423

Memorandum by the United States Representative on the Far Eastern Commission (Hamilton) and the Director of the Office of Northeast Asian Affairs (Allison) to the Consultant to the Secretary (Dulles)

SECRET

[WASHINGTON,] July 10, 1950.

Subject: Japanese Peace Treaty

Attached at Tab A is a proposed “Outline of Procedural Steps for a Japanese Peace Treaty”. As indicated in item II of the outline, the date by which agreement with the Defense Department on the security aspects of the treaty may be hoped for may depend in large degree on the progress of events in Korea. Except for this unknown the proposed schedule seems within the range of practicality. Possibilities of being able to hold the Preliminary Peace Conference while the General Assembly is in session seem so remote that that idea has been abandoned in the outline. The suggestion is advanced, however, that the U.S. publicly announce in mid-September that treaty terms and procedures are being discussed among the concerned governments and that the U.S. is proposing that a peace conference be convened in January. Though an earlier conference date would be desirable if the
Assembly session did not prevent, the knowledge that concrete steps for a treaty are being taken should satisfactorily compose the situation in Japan until January. It would also take the wind out of any Soviet proposal for a peace conference during this period.

As indicated in item I of the outline, there are a half dozen political and economic articles in the December 29 treaty draft which were not fully agreed at the time of preparation of the draft or about which questions have been raised since. Agreed language on three of these articles involving relatively minor issues is now being worked out, but it is hoped that on the other three you may be able to meet with us at your convenience to reach the necessary decisions.

The first of these major unresolved articles is Article I. In this Article, following a reference to the high purposes, principles and standards of the United Nations Charter and to Japan's progress under the occupation in the direction of the standards of conduct prescribed in the Charter, Japan undertakes to apply forthwith for membership in the UN, to accept the Charter as its guide and inspiration pending its admission to membership, to observe and protect for all persons under its jurisdiction the fundamental human rights and freedoms, and "to observe the high principles relating to human rights and social justice embodied in legislation enacted in Japan during the last five years, ..." Although the Article is phrased as much to make it an appeal and a challenge to the Japanese as it is to make it a legally enforceable treaty obligation, it nevertheless stands as a treaty requirement that Japan preserve the essential elements of the political and social reforms introduced during the occupation.

Doubt has, as you know, been expressed by Mr. Kennan and others whether such a requirement should be made. It is contended that the decision whether the reforms are to be preserved must, and in the last analysis will, be made by the Japanese themselves in their own way and in their own time, and that a treaty stipulation would merely lead to difficulty between the Allies and Japan. Those believing that the existing general requirement in the Article should, on the contrary, be retained argue primarily that the Japanese have not yet had sufficient experience with the reforms to enable them to make an intelligent decision whether or in what degree they wish to preserve them, and that a treaty requirement is necessary to ensure that they gain added experience before taking that decision. It is also held that omission of the requirement would be interpreted by the Japanese as evidence that the Allies did not care whether the reforms were kept or abandoned, further prejudicing their prospects of becoming a permanent feature of Japanese life.

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1 Not printed.
2 Omission in the source text.
The second unresolved article is Article 4 on the disposition of Formosa, a problem related to and partly dependent on the question of China's participation at the peace conference. In his statement of June 27 the President said that "the determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations". It would seem that preliminary decisions on the Formosa and Chinese participation questions should now be reached.

The third major unresolved article is Article 32 with its accompanying Annex V. As Annex V now reads Japan is required to pay 50 percent compensation to nationals of the Allied and Associated Powers whose property in Japan was lost or damaged as a result of the war. The percentage in the treaties with the German satellites was 66\%. In commenting on an earlier Japanese treaty draft General MacArthur recommended (on the basis of what is believed to have been an exaggerated conception of the probable amount of the compensation bill) that Japan not be required to pay any compensation for such loss or damage. This recommendation was rejected by the economic offices of the Department so far as the economic basis of General MacArthur's argument is concerned. The economists' position was that the compensation bill would at the most be 40 billion yen (1 dollar equals 360 yen) rather than the 117 billion yen figure General MacArthur had cited, and that payment of this amount spread over a number of years would not be a serious burden on Japan. Doubts regarding the wisdom of requiring such compensation were later expressed by some higher officers of the Department, however, and two months ago the matter was put up to Mr. Butterworth (Tab B) with the suggestion that he might wish to have the question decided at a high level.

It was Mr. Butterworth's view that it would be more consistent with our general position that Japan could stand no further reparations or other extraordinary economic burdens and should be allowed maximum opportunity to revive its economy if the U.S. took the position, at least initially, that no compensation should be required. If it appeared advisable during the treaty negotiations this position might be relaxed to some extent. Mr. Butterworth's position was subsequently discussed with representatives of the economic and legal offices. The former maintained that the compensation program proposed in the treaty draft was entirely feasible economically but that the question whether our original proposal should be partial compensation or no compensation was a political one. The legal represen-

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4 In this same statement the President had said in part that he had ordered the United States Seventh Fleet to prevent any attack on Formosa and was calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. For text, see Department of State Bulletin, July 3, 1950, p. 5.

4 Not printed.
tatives favored leaving the draft as it is in view of the similar treatment given other comparable situations after both the first and second World Wars. From a negotiating point of view it has been contended in opposition to Mr. Butterworth's position that while a no-compensation stand has the merit of consistency with our overall position for the protection of the Japanese economy, it carries that position to extreme lengths. Those of this view fear that presentation to the British and others of a U.S. draft which makes no concessions whatsoever to their point of view may turn them against the draft as a whole and increase the difficulty of our negotiating task.

It would be appreciated if you would set a time when we might have, say, an hour with you to discuss these questions.

[Tab A]  
JULY 7, 1950.

OUTLINE OF PROCEDURAL STEPS FOR A JAPANESE PEACE TREATY

By July 20

I. Obtain Departmental agreement on a draft security chapter and on procedural questions, particularly the question of Chinese participation; reach decisions on unresolved treaty articles (basic principles, disposition of Formosa, compensation for damage to Allied property in Japan, repayment of US aid, aviation and narcotics); coordinate treaty with German Affairs.

By August 10; meeting of this date will probably be dependent in large degree on when the tide of battle turns in Korea.

II. Discuss draft security chapter, other treaty provisions having security implications, and time schedule with the Defense Department, explaining the considerations which make it advisable for the US to proceed with a treaty. Secure the Defense Department's agreement if possible to the sections of the draft relating to security, namely the security chapter, disposition of Formosa and the Kuriles, and aviation.

By August 15

III. Present to the NSC a proposed policy decision—if possible a joint State–Defense proposal—covering the main points of content of the treaty draft and the planned procedural steps.

By August 20

IV. Present our position on the main points of content (not the US draft itself) on a confidential basis to the British in London, preferably by sending a special representative from the Department.
By September 1

V. Present our position on the main points of content (not the US draft itself) in a confidential communication to the other non-Communist FEC Governments.

VI. Consider issuing shortly after V a public statement that treaty terms and procedures are being discussed among the concerned governments and that the U.S. is proposing that a preliminary peace conference be convened in January.

VII. Be prepared to utilize the meeting of three Foreign Ministers now scheduled to be held in New York September 13, and the meeting of the General Assembly in New York now scheduled to begin September 18, for the discussion of treaty issues with representatives of non-Communist FEC governments.

VIII. Modify US substantive ideas as may be desirable in light of the discussions with other governments; the object would be an understanding with the great majority of FEC nations on the general nature of the treaty and the principal points of content but not formal or complete agreement on detailed texts.

IX. Call Preliminary Peace Conference in January on the following bases:

a) Composition—FEC Members plus Indonesia and, possibly, Ceylon, South Korea and Indochina (one vote); Chinese participation to be in accordance with decision under I above; Japanese Government representative to be available to the Conference.

b) Voting—Majority vote on procedural matters, two-thirds on treaty terms.

c) Site—Hawaii.

X. Convene Plenary Conference at Tokyo of all nations at war or in a state of belligerency with Japan. Members of the preliminary conference would consider proposals for alteration of the draft proposed by a majority of the nations represented. The voting procedure of the Preliminary Peace Conference would be utilized in passing on the proposals.

Memorandum by the Director of the Office of Northeast Asian Affairs (Allison) to the Consultant to the Secretary (Dulles)¹

TOP SECRET

[WASHINGTON,] July 11, 1950.

The attached draft security clauses for a Japanese peace treaty are based on a previous draft prepared by Mr. Howard and a discussion among Messrs. Dulles, Howard and Allison this morning. The lan-

¹ Addressed also to Messrs. Rusk, Hamilton, Howard, and Fearey.
guage in Article V is a paraphrase of language used by General MacArthur in his supplementary memorandum of June 23.

The paper will be discussed at the 4:30 meeting in Mr. Dulles' office this afternoon.\(^*\)

\[\text{[Attachment]}\]

Draft \hspace{2cm} JULY 11, 1950.

**OUTLINE OF MAJOR SECURITY CLAUSES**

**ARTICLE I**

Japan undertakes to apply for admission to the United Nations, which application will be supported by the other Parties.

**ARTICLE II**

Pending admission to the United Nations Japan undertakes to act in accordance with the principles of Article 2 of the Charter of the United Nations for the maintenance of international peace and security and the other parties undertake to assure to Japan the corresponding benefits and protections of those principles.

**ARTICLE III**

In view of the possibility of a delay in Japan's admission to the United Nations and also in view of the fact that the Security Council is not yet in a position to exercise its responsibilities under Article 42 of the Charter, in order to carry out the obligations of Article II above and in the interest of maintaining international peace and security, Japan on its part will provide such facilities and the United States will provide such forces on behalf of the other treaty powers as may be determined by the United States after consultation with the Japanese Government.

**ARTICLE IV**

At such time as the arrangements referred in Article 43 of the Charter come into effect the arrangements in Article III above will be merged with the arrangements under Article 43 of the Charter.

**ARTICLE V**

Japan shall retain its national sovereignty over the facilities furnished in accordance with Article III and the forces furnished by the United States shall not have, except in time of hostilities or im-

\(^*\) No minute of this meeting has been found in State Department files.
minently threatened hostilities, any responsibility or authority to intervene in the internal affairs of Japan. 

ARTICLE VI

During the period this agreement is in effect Japan will not grant military facilities to another power except in accordance with Article III.

ARTICLE VII

Until another arrangement is made, the United States will bear all expenses incurred in the maintenance of the armed forces referred to in Article III and Japan will bear all expenses incurred in the maintenance of the facilities referred to in Article III.

2 In a draft of July 14 this language is rewritten as follows: "Japan shall retain its national sovereignty over the facilities furnished in accordance with Article III and the forces furnished by the United States shall not have any responsibility or authority to intervene in the internal affairs of Japan. In time of hostilities or imminently threatened hostilities, however, the United States forces shall have authority under the terms of an agreement to be concluded with Japan to enlist the cooperation and assistance of the Japanese Government and people for the defense of Japan." (694.001/7-1450)

In the course of a memorandum of July 17 to Mr. Allison, Mr. Fearey commented as follows on the language just quoted: "In order to avoid a conflict between the concept of 'authority' and the concept of 'cooperation' in the second sentence as I previously suggested it, I would propose the following: "'In time of hostilities or imminently threatened hostilities, however, the Japanese Government and people shall afford the United States forces cooperation and assistance in accordance with the terms of an agreement to be concluded between the Government of the United States and the Government of Japan.'" (794.5/7-1750)

694.001/7-1950

Memorandum by the Consultant to the Secretary (Dulles) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] July 19, 1950.

As soon as there is opportunity I think the President should come to a decision as to what, if anything, to do about Japan and a treaty.

My impression is that the Korean attack makes it more important, rather than less important, to act. The Japanese people have been in somewhat of a postwar stupor. The Korean attack is awakening them and I think that their mood for a long time may be determined by whether we take advantage of this awakening to bring them an insight into the possibilities of the free world and their responsibility as a member of it.

If matters drift because of total preoccupation with the Korean war, we may lose in Japan more than we can gain in Korea.

It has always been a weakness of United States policy that when war breaks out we abandon political aims and concentrate wholly upon
military aims. The Soviet Union continues, even in time of war, to seek to consolidate political gains. It is interesting that, without awaiting the outcome of the Korean battle, they are planning quickly to hold elections in the temporarily conquered territory, with a view to making it a political part of the North Korean regime.

I hope that we can be as alert to press for political objectives even while we are engaged in a difficult war effort.¹

JOHN FOSTER DULLES

¹A handwritten marginal note reads: “I agree. Meeting is called for Friday July 21. D[ean] A[cheson].” No minute or other summary of this meeting has been found in State Department files.

Attached to the file copy of this memorandum is a draft dated July 21, not printed, of the security clauses of the prospective Japanese peace treaty. A draft of July 25 is printed, p. 1260.

Memorandum by the Officer in Charge of Japanese Affairs (Green) to the Director of the Office of Northeast Asian Affairs (Allison)

CONFIDENTIAL


Subject: Limitations Imposed by FEC Decisions on Japanese Rearmament and Remilitarization

There are three FEC decisions bearing on the above subject: (1) FEC-014/9 of June 20, 1947 entitled “Basic Post-Surrender Policy for Japan”; (2) FEC-084/21 of August 18, 1947, entitled “Reduction of Japanese Industrial War Potential”; and (3) FEC-017/20 of February 17, 1948 entitled “Prohibition of Military Activity in Japan and Disposition of the Japanese Military Equipment”.⁴

Copies of these three papers are attached with the most pertinent sections marked.

You will note that the limitations imposed by FEC decisions on Japanese rearmament are sweeping. The Japanese cannot have a gendarmerie or para-military organizations and cannot have any weapons except the use of small arms by the police. The Japanese cannot develop, manufacture, import or export arms, ammunition and

¹In a memorandum of July 6 to the Secretary, H. Freeman Matthews, who had the previous day become Deputy Under Secretary of State, stated in part that Secretary of the Army Frank Pace was “being briefed” to raise in the National Security Council the possibility of limited military armament for Japan. (794.5/7-650) although documentation on when or whether the matter was taken up by the NSC during 1950 has not been found in State Department files, documents in files 794.5 and 894.501 from July 1950 indicate that officials within the Department gave the question intensive consideration.

²For text, see Department of State Bulletin, August 3, 1947, p. 216.


⁴Text is printed ibid., pp. 19–22.

⁵None printed.
implements of war. The construction or conversion of any vessels for military purposes is prohibited.

There are two important loopholes, however. The FEC decision reducing Japan's industrial war potential allows (paragraph 10) the Supreme Commander "to except temporarily from the provisions of this paper particular primary war facilities, secondary war facilities and facilities in war-supporting industries, insofar as such facilities are required to meet the needs of the Occupation". (In such cases an explanation to the ACJ is called for.) The other loophole is the FEC Terms of Reference* which states (paragraph II, B): "The Commission shall not make recommendations with regard to the conduct of military operations nor with regard to territorial adjustments."

The question now arises whether standing FEC policy decisions would obstruct any plans which the U.S. might have for turning over to the Japanese increased responsibility for maintaining internal security and defense. These plans might range anywhere from an improved police force to the defensive rearmament of Japan.

FEC decisions impose no restriction on the full implementation of present agreed U.S. policy for strengthening the Japanese police and coast guard, namely for (1) improving their numbers, equipment and training standards; (2) creating an adequate mobile police reserve; (3) establishing an investigative and surveillance agency similar to the FBI; and (4) reorganizing the police on a more efficient centralized basis.

FEC policies would, furthermore, appear to provide leeway for the procurement of civilian type items from Japanese sources for the defense of South Korea. Admittedly paragraph 3 of FEC-017/20 prevents the "exportation of materials intended for military use", but, operating on the theory that the Japanese are under immediate threat—which is indeed the case—a liberal interpretation of the two "loopholes" cited above would give General MacArthur the authority to use the output of at least certain Japanese industries for emergency defensive measures. The broadest interpretation of these "loopholes" might confer upon General MacArthur not only the authority to allow Japanese industry to supply civilian-type items for military end-use but to permit the mobilization of Japanese armament† industries for the same objective. However, it would seem highly advisable that prior understandings and agreements be reached with most FEC member governments before using Japanese industry as a source of

† In the source text the word "armament" is inked in above the crossed-out term "war supporting."
non-armament items for Far Eastern areas other than Korea (shipment of such items to Korea is already taking place and there is obviously no need to justify CINCFE's action to FEC countries) or before using Japanese industry as a source of armament items for Korea.

The arming or mobilization of Japanese people (other than the police) is specifically prohibited by virtue of Japan's constitution and of the FEC decisions noted above. Any move on our part, therefore, to turn over to the Japanese people such responsibilities for internal security or defense as the possession and use of arms larger than rifles and pistols, the training of non-police units for defense purposes, the equipping of Japanese coast guard vessels with torpedo tubes or even depth charges would, in my opinion, impose upon the U.S. or SCAP an obligation to amend FEC policies accordingly or to confer, through a new FEC policy decision, special emergency powers on General MacArthur to waive during the period of emergency certain provisions contained in standing FEC policies.

Provided the Soviets did not return to the FEC* to fling their veto against such revisions or supplements to FEC decisions, it is believed that the FEC countries could be induced to accept certain limited, temporary, closely-supervised measures for increasing the capacity of the Japanese people to assist General MacArthur's Command in the matter of internal security and defense, particularly at a time when that Command has been deprived of a major segment of its combat strength for supporting UN operations in South Korea. It is emphasized, however, that such agreed measures might be so limited as to be unsatisfactory from the point of view of our security requirements.

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*The Soviet Union boycotted the FEC from January 18, 1950, on the ground that body had failed to expel the Representative of the Republic of China and to seat a representative of the Chinese People's Republic. Documents in file 690.00 FEC for 1950 indicate that it was United States policy to regard the question of Chinese representation in the FEC as dependent on the outcome of the question of Chinese representation in the United Nations.

The Soviet Representative returned to the FEC beginning with the session held October 18, 1950.

7045/7-2050

Memorandum by the Consultant to the Secretary (Dulles) to the Director of the Policy Planning Staff (Nitzer)

TOP SECRET

[WASHINGTON,] July 20, 1950.

I attach hereto a memorandum in which I have put down a few thoughts with reference to developing military strength in Japan. You may want to consider this from the policy standpoint and with a view to relevant action.
I have asked Mr. Allison to consult with Mr. Hamilton as to existing FEC decisions with a view to seeing whether there are any possibilities of developing some military strength consistently therewith.¹

[Attachment]  

JULY 20, 1950.

From the standpoint of general war and who wins it, Germany and Japan are of prime importance. If the Soviet Union could augment its present strength by adding the manpower and industrial resources of these two areas, it would have reason to feel that it could sustain a long war and have a good chance of winning it.

It is prudent to assume that there will be increasing Soviet effort to get these two assets. Indeed, the Korean attack may be the beginning of such an effort as regards Japan.

I have not been following closely the German situation. As regards Japan, far distant from us and close to the Soviet Union, the United States would assume an almost impossible burden in attempting its defense without any help from the Japanese themselves.

National rearmament by the Japanese government at this time would encounter serious and understandable objections on the part of former victims of Japanese aggression and, indeed, from the Japanese themselves. A solution might be found in a combination of (1) recreating a strong federal police force and coastal patrol, and (2) recruiting Japanese individually as part of an international force.

(1) Today, in Japan, there is a numerically substantial police force (approximately 200,000 after the newly authorized 75,000 increase),² but it is decentralized to an extreme degree and is not armed (other than pistols) or trained so that in an emergency it could be quickly converted into an armed unit usable for defense against attack. There are only a few unarmed boats for coastal patrol. The transformation of the police into a para-military force and the arming of the Coast Guard vessels is at present impossible due to standing F.E.C. policy decisions. If these were ended by treaty or otherwise, there could be developed a police force with the potentiality mentioned above as well as a small torpedo boat navy for coast guard and antismuggling pur-

¹ In a memorandum of August 8 to Mr. Johnson, Mr. Fisher stated in part that L concurred in the conclusion of George H. Blakeslee, political adviser to the Far Eastern Commission, that the phrase "other small arms" in FEC-017/23 authorized SCAP to allow Japanese civil police to use submachine guns and tear gas in addition to rifles and pistols, (794.5/8-50) (FEC-017/23 is identical to FEC-017/20, cited in footnote 4, p. 1244.)

However, for L's general answer to the question raised here by Mr. Dulles, see footnote 1 to Mr. Allison's memorandum of December 2 to Mr. Dulles, p. 1355.

For L's opinion on the question of allowable armament for the Japanese Coast guard, another matter repeatedly discussed in the Department during 1950, see footnote 2 to Mr. Allison's memorandum of December 7 to Mr. Dulles, p. 1358.

² See the attachments to Mr. Allison's memorandum of a conversation held July 24, p. 1251.
poses which would also be effective to oppose a landing operation. I understand NA is discussing with the Department of the Army methods of strengthening the police within the framework of existing FEC policies.

(2) The present possibility of action in the Security Council without Soviet veto may make it possible to establish contingents under Article 43 which could presumably include individual Japanese (even though Japan is not a member of the U.N.) and make these recruits subject to the direction of a command chosen by the Security Council rather than subject to political direction from the Japanese government.

If action were taken along these lines, it presumably should be done quietly and gradually, as any publicly-announced intention to rearm Japan might precipitate Soviet action of a preventive character. At best there would be some risk of this, but subject to further study it would seem that this risk was less than the risk of perpetuating an indefensible position as regards this area which is one of those which may constitute the decisive balance of strength between the communist world and the free world.

Lot 54D423

Memorandum by the Counselor of the Department of State (Kennan) to the Consultant to the Secretary (Dulles)

SECRET

[WASHINGTON,] July 20, 1950.

Referring to the memorandum of July 10 from Mr. Hamilton and Mr. Allison concerning the Japanese Peace Treaty, I should like to say the following.

1. While the procedural steps outlined on Tab A of the reference memorandum may be irreducible, it seems to me that the situation calls for even more rapid action. The schedule allows for a month for us to agree within the U.S. Government on a draft of treaty terms. While admitting that this is optimistic in the light of past experiences, I think the situation calls for more rapid action here, and we can take such action if we really want to. Perhaps the President's authority should be invoked to get immediate decision on the points involved rather than further wrangling among working parties.

It does not seem to me that we should require long and involved consultations with the other FEC countries before going into the general negotiations. I should think that a simple notification to the friendly countries of the proposals we intended to make, with an invitation for their comments, would be sufficient in all cases except perhaps the British and the French. As far as those governments are

1 Ante, p. 1287.
concerned, I would suggest that if we can prepare our position at an early date, we try to clear it with them through the ordinary diplomatic channels at once, and not wait for the meeting of the Foreign Ministers in September.

I do not see why we need to call the initial conference a "Preliminary Peace Conference". Let us avoid designations and simply ask the other FEC members, together with the Japanese, to join us for a discussion of this subject.

I have never been able to understand why we must have some special voting procedure for this conference. We are all sovereign governments, and nobody can make us do anything about this matter which we do not wish to do. When we get our partners to the table, can we simply not place on the table the terms which we are proposing and ascertain to what extent they are acceptable to the others? After going as far as we can to meet the views of the others, we can then ascertain how many governments will probably be willing to join us in concluding such a treaty and how many will not. If the delegates lack instructions, they can seek them as the conference goes along. We can then suggest that those who find the terms acceptable associate themselves with us in the final signature of such a treaty with the Japanese. Those who do not can be left to do what they please. It seems clear to me that the treaty with us, provided it is the first treaty signed, will be the only one which the Japanese will sign on the basis of unconditional surrender.

2. As for the content of the treaty, it fills me with dismay to think that it has got to be one of these long, legalistic documents, containing paragraph after paragraph concerning matters which are of extremely minor importance—if any. The European satellite treaties and the Austrian draft, as worked out to date, stand as examples of the sort of treaty which one should not conclude with the defeated enemy. In the case of Japan, I would really recommend that the treaty be extremely brief, succinct, and in the nature of a simple termination of the state of war and expressing confidence in the Japanese people to cope with the responsibilities of sovereign independence in the future. A great many of the matters treated in the peace treaty concepts which have become traditional since Versailles are ones which, in the case of the Japanese treaty, might better be placed in an annex not intended for attention by the wider public. The text of the treaty should be regarded as an instrument in political warfare, and not as a legal document.

3. Mr. Hamilton's memorandum correctly observes that I am against binding the Japanese to anything in the field of domestic policy. I

*For the text of certain articles of a draft Austrian peace treaty as of September 1, 1949, see Foreign Relations, 1949, vol. III, p. 1131.
think our reform program in Japan, taken in its entirety, has been of dubious wisdom and see no reason for trying to perpetuate the memory of something which has been at least partially a mistake. Furthermore, we have no means of enforcing such injunctions on the Japanese; and in my opinion it is high time we stopped saying things we are not able to back up or asking others to make promises to us in instances where we are not able to compel their obedience.

4. In general, I have a feeling that we have permitted ourselves to become confused in our thinking by traditional concepts about peace treaty problems. Normally a peace treaty was a contract between victor and vanquished, defining the terms on which a state of war would be terminated. In the present instance, however, we have had five years of actual U.S. administration of the country in question. This has given us ample opportunity to establish by fiat all the initial conditions of the peace. All that remains is to terminate the state of war, define the future military arrangements governing the protection of Japanese territory, and give the Japanese the best possible psychological boost for their entry upon the new era. Anything more than that, and particularly anything reflecting a continuation of the school-masterish and smug attitude which has detracted so much from the excellent achievements of our occupation, can only be unhelpful.

GEORGE F. KENNAN

Lot 54D423

Memorandum of Conversation, by the Director of the Office of Northeast Asian Affairs (Allison)

SECRET  [WASHINGTON,] July 24, 1950.

Subject: Japanese Police Establishment

Participants: Maj. Gen. Carter B. Magruder, Special Assistant for Occupied Areas, Office, Secretary of the Army
Mr. John M. Allison, Director, Office of Northeast Asian Affairs

I called on General Magruder on Monday, July 24, and gave him a copy of the attached memorandum regarding the Japanese Police Establishment. He promised to get in touch with me after he had had time to go over the memo, but he did tell me that SCAP had requested, and the Department of the Army had approved, the arming of the Japanese police with carbines as well as pistols, and that arrangements were being made to do this as soon as possible. According to General Magruder, no action had been taken as far as he knew in connection with strengthening the organization of the police. I emphasized that in the Department's view the structure of the Japanese police organization would need strengthening, particularly in the
JAPAN
direction of greater centralization, if it was to be capable of carrying on efficiently.

[Attachment]
SECRET
JULY 21, 1950.

MEMORANDUM FOR GENERAL MAGRUDER

JAPANESE POLICE ESTABLISHMENT

I am enclosing for your information and for whatever action you deem appropriate a memorandum summarizing the background and views of the Department of State on the question of strengthening the Japanese police establishment. With reference to the final paragraph entitled "Recommended Action", it is believed that what is needed in Washington is a full account of the measures SCAP has taken, is taking, or proposes to take to strengthen the Japanese police. It is possible that an up-to-date report of SCAP's plans in the premises would dispose of a good deal of the concern felt here about the ability of the Japanese police to cope with organized, large-scale subversion and disorders.

JOHN M. ALLISON
Director
Office of Northeastern Asian Affairs

[Enclosure]

MEMORANDUM

The Department of State is more than ever convinced that the time has come to take positive steps looking toward a real strengthening of the Japanese police and coast guard organizations. Events in the Far East, including the diversion of troop strength from Japan to Korea, underline the necessity for prompt as well as definitive action.

SCAP's recent authorization ¹ for the Japanese Government to establish a National Police Reserve of 75,000 men and to expand the existing strength of the Maritime Safety Board (coast guard) by an additional 8,000 men is highly welcome, but further measures are believed to be required if Japan is to have effective police protection without the present degree of police dependence on the occupation forces for maintaining internal security.

Eighteen months ago, the National Security Council, on the recommendation of the State Department, adopted the following policy:

¹ In a public letter of July 8 to Prime Minister Yoshida. The complete text is in telegram 77 from Tokyo, July 9, not printed. (894.501/7–1050)
"The Japanese police establishment, including the coastal patrol, should be strengthened by the reinforcing and reequipping of the present forces and by expanding the present centrally directed police organization." (NSC 13/3, paragraph 7). This paragraph was supplemented by a State–Army cable to SCAP of November 22, 1948 which set forth the following principles as basic to the achievement of Japanese internal security:

(a) Improvement in numbers, equipment and training standards of the police and coast guard.

(b) Creation of adequate mobile police reserves for handling disaster or civil violence.

(c) Establishment of an investigative and surveillance agency (similar to the FBI) for advising the national Government on the state of internal security.

(d) Provision for broadening the powers and responsibilities of the National Police (as opposed to the more numerous autonomous local police) in order that there may be standardized police enforcement of national laws and coordination of activities of all police organizations, both local and national, at all times.

SCAP has implemented the foregoing principles to the extent that he has equipped almost every policeman with side arms and ammunition, has turned over surplus US transportation and communications equipment to the Japanese police and has now authorized an appreciable increase in the size of the police force. As far as the Department is aware, however, no effect has been given by SCAP to the organizational changes recommended by the State and Army Departments as expressed in paragraphs (c) and (d) above. It is understood that these organizational changes have been opposed on the ground that the principle of police decentralization must be rigorously observed if a return to the old Japanese police state is to be averted.

The Department has viewed the degree of Japanese police decentralization with some apprehension, for it is a disorganized police structure which invites such hazards as poor cooperation between police units, exposure of local police to corruption, infiltration of extremist elements into police units, inadequate financing, poor training and variable standards. Excessive decentralization has no geographic justification in a small and integrated country like Japan. It presents particular dangers in a country totally disarmed. The possibility of a revival of the old Japanese police state is not overlooked but it is felt that the best way to avoid such a revival is to provide Japan

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*Not printed.
with an effective, respected police force well-grounded in democratic police methods, notably in the safeguarding of civil liberties. A revival of the old police state could result from a police system so lacking in effectiveness that extremist elements proceeded to take the law into their own hands.

The internal striking potential of the Communists in Japan is not limited to the 200,000 members of the Party nor to the many sympathizers of North Korea among the 600,000 Koreans residing in Japan. The Communist potential in Japan is augmented by the fact that there are some 200,000 Japanese soldiers unaccounted for in Siberia, a sizeable percentage of whom may now be under arms and preparing for infiltration into Japan. A further danger is the affinity between the Communists and the ultra-rightists whose mentalities have been so warped that they can easily embrace Communism with its similar philosophy of violence, terrorism, chauvinism and conspiracy. In this connection Communism may have a dangerous appeal to ex-members of the Japanese Army which was largely drawn from the underprivileged classes and through which a communal spirit has pervaded. Parades, demonstrations, martial songs, flag-waving and other Communist techniques may find an emotional response among many ex-soldiers.

The preceding factors are not enumerated for purposes of creating undue alarm but are cited to show the vital need for creating a Japanese police force which is unified, well-trained and is prepared to cope with large-scale internal disorders without dependence upon the Occupation. For the use of Occupation forces against Japanese—even though they be extremist Japanese—will raise the ugly prospect of a racial conflict wherein the sympathies of many Japanese will be naturally drawn to their embattled compatriots. This, of course, is a Communist objective.

The organizational changes recommended by State and Army are ones which evidently have the full support of major political forces in Japan except the leftists. The most significant expression of this fact is to be found in the Joint Resolution, passed on May 17, 1949 by a large majority of the Diet, recommending immediate improvement in the coordinating and investigating machinery of the police establishment.

Top Japanese police officials have long had in mind the introduction of certain specific modifications in the present Police Law which would extend the authority of the National Rural Police in various ways without altering the basic organizational pattern of the present police system. Heretofore these proposed modifications have been blocked by SCAP. If SCAP were now to indicate that he has no objection
to Japanese Government legislation which would provide for better coordination of police activity while observing basic police reform measures, the Japanese Government would in all likelihood introduce and pass the desired legislation without delay. Since the Diet will be meeting in extraordinary session until the end of July and will then be in recess until November, immediate measures would appear to be indicated.

**RECOMMENDED ACTION**

It is recommended that the Department of the Army request full information from Headquarters concerning what measures the latter has taken, or is taking, to ensure that full effect is given to the early implementation of NSC 13/3 paragraph 7, including State–Army cable of November 22, 1948, especially as it relates to the establishment of an investigative agency and to broadening the responsibilities of the national police. It is also requested that information be furnished whether any immediate changes are contemplated in the Japanese police law. Talks with members of the National Rural Police have made clear that the elimination of the word “Rural” from their title, would add greatly to their morale and it is therefore also recommended that this be suggested to SCAP.

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4 Documentation on implementation of these two requests is lacking in Department of State files for 1950. For comment on the new National Police Reserve, see the memorandum of September 15 from Douglas W. Overton of the Office of Northeast Asian Affairs to Mr. Johnson, p. 1305.

694.001/7-2450

**Memorandum by the Ambassador at Large (Jessup) to the Secretary of State**

**TOP SECRET**

[WASHINGTON,] July 24, 1950.

Subject: Japanese Peace Treaty

In our talks with the U.K.,\(^1\) Bradley stated that he thought we were very close to a U.S. national position on the Japanese Peace Treaty and that we would have already firmed it up had it not been for the preoccupation caused by the Korean aggression. He agreed with me privately that it ought to be possible to have an agreement in principle very shortly which would enable us to make some public announcement about plans for a Peace Conference even before an exact text was agreed upon. I told the British that we would want to be in touch with them again as soon as we were prepared to move. The important

\(^1\) Staff conversations between the two governments are scheduled for publication in volume III.
thing is the apparent readiness of Bradley to move forward on the first steps without delay.²

² In a memorandum of a conversation held with General Bradley July 12, Ambassador Jessup had reported in part:

"In connection with the discussion of a Pacific Pact, General Bradley touched on the question of a Japanese Peace Treaty. He said that General MacArthur’s written memorandum cleared up a misunderstanding about his views and showed that there was no real difference of opinion on what was meant by the maintenance of ‘bases.’ He thought the views of State and Defense were not now very far apart. He noted that the maintenance of American forces in Japan by agreement with the Japanese would be very different from a continuation of the occupation on the present basis. He doubted whether we could indefinitely refuse to permit the Japanese to get in a position to defend themselves, but this problem could not be settled for some time because of the strength of the feeling of Australians and others about Japanese rearmament.” (Council of Foreign Ministers Files: Lot M-88)

Full text of this conversation is scheduled for publication in volume III.

Lot 53D444

Memorandum of Conversation,² by the Secretary of State

SECRET

[WASHINGTON,] July 24, 1950.

JAPANESE PEACE TREATY

I discussed with the President the desirability of proceeding at once to work out with the Pentagon a plan for a Japanese peace treaty. This would cover the main points in the treaty and the procedure to be adopted. The President agreed that it was important to get on with this matter and approved our suggestion of how to do it.

I assured the President that before any steps were taken with other countries, the matter would be laid before him formally for his approval.

DEAN ACHESON

² In a briefing memorandum to the Secretary of July 24, not printed, W. J. Sheppard, Deputy Executive Director of the Executive Secretariat, said in part: "You may wish ... to explore with the President the situation with respect to a peace treaty for Japan. Mr. Dulles’ memorandum to you of July 19th, together with the attachment [apparently the draft security clauses of July 21], is at Tab A. There is also attached a note from Dr. Jessup re Genl. Bradley’s position.” (Lot 65D238) These papers are, respectively, p. 1248, not printed, and supra.

Lot 56D527

Unsigned Memorandum by the Policy Planning Staff

TOP SECRET

[WASHINGTON,] July 26, 1950.

ASSUMPTION BY JAPAN OF A GREATER MEASURE OF RESPONSIBILITY FOR ITS OWN SECURITY, BOTH INTERNAL AND EXTERNAL

The Policy Planning Staff welcomes and endorses (a) various memoranda prepared by the Office of Northeast Asian Affairs pressing 507-851—76—80
for a greater degree of centralization and a strengthening of the Japanese police, (b) Mr. Kennan’s memorandum of July 18, 1950 in the same vein,¹ and (c) the memorandum prepared by Mr. Dulles, dated July 20, 1950, regarding the development of military strength in Japan.

The established position of the Staff since the formulation of PPS 49 (NSC 13 series)² has been that the United States should develop internal security forces in Japan adequate to deal effectively with subversive activities. The Staff has felt and continues to be of the opinion that this policy recommendation has not been adequately implemented. It is our conviction, in view of the current crisis in Northeast Asia, that the centralization and augmentation of Japanese internal security forces is of greater importance than ever before.

Heretofore the Staff has not pressed for the immediate re-militarization of Japan. * It has been our opinion that the Japanese people themselves were not prepared to take such a step and that the other members of the FEC would strongly oppose such a proposal. The Staff has, however, envisaged the likelihood that, following a peace settlement and the gradual phasing out of United States occupation troops, Japanese defense forces would be brought into being. We have not felt that this development could provide military strength adequate in itself to defend Japan against direct aggression by a great power. But we did believe that it would be desirable from many points of view that the Japanese themselves should contribute to their own defense, in collaboration with whatever forces we might commit to the protection of the islands.

The Korean conflict and the deep uncertainties regarding the future now make it imperative, in the opinion of the Staff, that we proceed forthwith to create Japanese forces designed to contribute to the defense of the islands. We realize that there are many serious impediments to the implementation of this objective, perhaps the most serious of which is the collective commitments undertaken by ourselves and our allies, predominantly in the FEC, regarding Japanese demilitarization. At the same time we must recognize that all peoples of good will, including the Japanese, are through no fault of their own confronted with a new situation radically different from that envisaged in

¹ To Mr. Rusk, not printed. (894.501/7-1950)
² PPS 49, which dealt with economic relations of the United States and Yugoslavia, is apparently not the intended reference. The NSC 13 series grew out of PPS 28, March 25, 1948, which is printed in Foreign Relations, 1948, vol. vi, p. 691.
³ The original position of S/P (PPS 28, March 25, 1948, page 1) was “If Russia has not been extensively weakened and sobered by that time [a peace treaty] or if Japanese society still seems excessively vulnerable in the political sense, we should either postpone the treaty or insist on a limited remilitarization of Japan, preferably under U.N. guidance and supervision.” [Footnote, including bracketed insertion, appears in the source text.]
the Potsdam Proclamation and the Post-Surrender Policy. On this basis we are justified in resorting to extraordinary measures to enable Japan to contribute to its own defense.

Mr. Dulles’ memorandum of July 20 suggests the possibility of establishing Japanese military contingents under Article 43 of the United Nations Charter and placing them under the direction of a command chosen by the United Nations Security Council. The Staff feels that this suggestion should be carefully examined and alternative possibilities looked into. By way of illustration, a possible alternative device might be for SCAP to accept in the occupation forces the services of qualified Japanese in much the same manner that McCloy has recommended for Germany. For example, the Government might turn over to SCAP destroyers and smaller patrol craft, over and above those now being activated, to be manned wholly by Japanese crews and to be employed in preventing infiltration of the Japanese coast. To maintain the position that these vessels are controlled and operated by the occupation forces, each ship would be commanded by an American officer and fly the American flag.

RECOMMENDATIONS

The Departments of State and Defense should immediately seek means (a) to strengthen the Japanese internal security forces, and (b) to provide for a contribution by the Japanese themselves to the defense of their own country.

As this is a tactical planning question, NA should be designated as the office responsible for the implementation of these recommendations. S/P is prepared to participate in this study.

If the results of this study reveal that effective measures can now be undertaken, the findings should be submitted to the NSC, with a recommendation that they be issued as national policy directives.

Memorandum by the Special Assistant to the Secretary (Howard) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

TOP SECRET

WASHINGTON, July 26, 1950.

Subject: Japanese Security Clauses

Because I am responsible to you in my work on the Japanese security clauses, I feel that I should give you a frank statement of my views formed over the past several months.

Following your departure from the meeting in Mr. Dulles’ office yesterday afternoon, Mr. Dulles inquired whether the working group

1 On August 1, 1950, Mr. Howard assumed new duties as Regional Planning Adviser in the Bureau of Near Eastern, South Asian, and African Affairs.
present at the meeting regarded as latest draft of the security clauses as ready for presentation to the Secretary. I said that I was one of those who held the view that the security arrangement should be based on an agreement with Japan rather than on the unilateral determination by the United States of the assistance, facilities, and rights of passage which Japan should furnish. I added, however, that this point had been thoroughly discussed and there was no need to discuss it further since Mr. Dulles believed that any such modification of the present draft must await clearance of the first hurdle, the Pentagon. I also mentioned your suggestion that the security clauses be incorporated in a separate agreement in order that countries such as India might be enabled to sign the main treaty and be in a position not to have to express opposition to the separate security arrangement into which Japan would enter voluntarily. Mr. Dulles replied that he thought the security clauses should be an integral part of the treaty, that this suggestion would involve an important change, and that since this was a problem concerning Nehru we could defer consideration of it until after we had cleared the Pentagon hurdle.

Accordingly, if the Secretary approves the present draft, the security clauses will go to the Pentagon in a form which I regard as seriously deficient from the political standpoint. With due allowance for tactical considerations we do not wish to adopt a position on principle from which it may be embarrassing later to have to withdraw. The present draft appears to me to seek to achieve the military but not the political objectives of the United States in respect of Japan. It appears to favor the conclusion of a peace treaty per se regardless of the political consequences of the military blank check we ask of Japan as its price, notwithstanding the general consensus to the contrary that a peace treaty should be an integral part of our over-all political policy toward Japan and the Far East. Its outstanding virtue is said to be that it is a saleable product. Personally I have difficulty in making myself believe that it would be acceptable to General MacArthur because it is so contrary to his previously expressed views regarding the necessity of continuing Japanese consent. However, I was not a party to the conversations with him.

I believe that the security arrangement should be squarely based on an agreement with Japan. Such an agreement might well include a provision to the effect that inasmuch as the United States is assuming a considerable responsibility in terms of American men and resources, Japan would accept the judgment of the United States as to what was necessary in time of emergency or in circumstances which the United States regarded as giving security considerations overriding importance. It is not sufficient to draw upon many fine principles

*Apparently that of July 25, enclosed with the memorandum, infra.
about international peace and security while constructing an unqualified freedom of decision for the United States.

The mutuality of the agreement underlying the security arrangement would be greatly reinforced by a request from Japan for such an arrangement. It is not sufficient merely to have the phrase "Japan requests" buried in the midst of a treaty. The request should be of a formal and unmistakable character. If conditions in Japan are such as to make such a request unsound from the domestic political standpoint then the time is not yet ripe for such a security arrangement. The mutuality of the agreement would be further reinforced if the arrangement were contained in a separate agreement in order that it would not appear to have been imposed upon Japan as a part of the treaty. This consideration far outweighs the illusion that by being an integral part of the treaty the security arrangement achieves wider international backing.

Features such as these can make the difference between a successful and a heavy-handed diplomacy, between an agreement that will stick and one that will be a source of increasing irritation and an exposed target for hostile propaganda.

If the security arrangement cannot be based on agreement, then it seems to me that the political prerequisites for a political solution of the security problem are not yet present. Under such circumstances the preferable course of action is for the United States to obtain the agreement of friendly powers and Japan to the establishment through a formal international instrument or otherwise of the conditions of a de facto peace while continuing to maintain our forces in Japan.

694.001/7-2750

Memorandum by the Consultant to the Secretary (Dulles) to the Secretary of State


I attach a draft of prospective articles on "International Peace and Security" which might be used in a treaty with Japan. They are designed to give, in a form as inoffensive as possible to the Japanese, the broad power in the United States to place military forces wherever in Japan the United States may determine to be desirable from the standpoint of maintenance of international peace and security in the Japan area.

This draft has now been cleared by the various Department officials who would be interested and is now given to you for the purpose of transmission to the Department of Defense for its study.

I would suggest transmission by you to Secretary Johnson, and in view of the talks which Secretary Johnson and I have had about the
subject both in Tokyo and in Washington, I might concurrently want to say a personal word to Secretary Johnson about it.

[Attachment]

[July 25, 1950.]

INTERNATIONAL PEACE AND SECURITY

ARTICLE I

As a prospective member of the United Nations, Japan accepts in advance the obligation to act in accordance with the principles of Article 2 of the Charter of the United Nations for the maintenance of international peace and security, and the other Parties as members of the United Nations undertake reciprocally to be guided by those same principles in their relations with Japan.

ARTICLE II

In order further to contribute to the establishment and maintenance in the Japan area of conditions conducive to international peace and security in accordance with the principles of the Charter of the United Nations and subject to the transfer of this responsibility to the United Nations under the conditions foreseen in Article IV, Japan requests and the United States agrees that it will provide such armed forces on behalf of the Treaty Powers, and the Japanese Government on its part shall provide such assistance and facilities, including rights of passage, as may be determined by the United States in consultation with the Japanese Government. The Treaty Powers other than the United States that are willing to contribute to such forces for the above purposes may do so by agreement with the United States. The forces furnished by the United States or other Treaty Powers shall not have any responsibility or authority to intervene in the internal affairs of Japan.

ARTICLE III

During the period this chapter is in effect, Japan will not permit another Power to have military facilities in Japan except in accordance with the provisions of this Chapter or Article 43 of the Charter of the United Nations.

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1 Handwritten in the margin for insertion at this point is the phrase "and having regard for the fact that irresponsible militarism is not yet ended in the world."

2 In a memorandum of July 28 to the Secretary, Mr. Dulles said in part that the reference to "irresponsible militarism" formerly in Article IV had been shifted to Article II at the suggestion of Ambassador Jessup. (694.001/7-2750)

3 The four articles together were meant to be one chapter of a draft treaty.
ARTICLE IV

The provisions of this Chapter shall remain in effect until Japan has been admitted to the United Nations and until the coming into force of such special agreements referred to in Article 43 of the Charter as, in the opinion of those Treaty Powers providing forces under the terms of Article II, will enable the Security Council to exercise its responsibilities under Article 42 of the Charter for the maintenance of international peace and security in the Japan area and to end irresponsible militarism in the world.³

(Note: It is contemplated that there shall be concluded, effective with the coming into force of the present Treaty, an agreement between the United States and Japan, to which any other Parties providing forces under Article II may adhere, governing the stationing and employment of the forces provided under Article II, including the manner in which the signatory powers shall share the financial burden of the armed forces and the assistance and facilities provided under that Article.)

³In the file copy the words “and to end irresponsible militarism in the world” have been crossed out and a period placed after “area.” In a memorandum of July 27 to Mr. Dulles, Ambassador Jessup had in part recommended this change: “The criterion suggested would imply that this Chapter will remain in force until the millennium.” (Lot 54D423)

Lot 54D444

Memorandum of Conversation, by the Consultant to the Secretary (Dulles)¹

SECRET

[WASHINGTON,] July 29, 1950.

Subject: Japanese Peace Treaty
Present: Prime Minister Menzies ²
Ambassador Makin ³
Secretary Acheson
Mr. Harriman ⁴
Mr. Jessup
Mr. Dulles

Mr. Menzies said that he favored proceeding promptly with a Japanese Peace Treaty and he felt that it should be a generous and not a punitive treaty. He referred to the fact that after the last war we had adopted half-way measures as regards Germany, being neither punitive nor liberal, and that, in his opinion, largely explained the rise of Hitlerism. He felt it important to avoid repeating that mistake this time as regards Japan and Germany.

¹The conversation took place at a dinner at the Australian Embassy on July 28.
²Robert Gordon Menzies was in the United States on an official visit from July 27 to August 7, 1950. For other documentation, see pp. 189 ff.
³Norman G. Makin, of Australia.
⁴Ambassador Averell Harriman was Special Assistant to the President.
He did not believe that the treaty should impose economic or military restrictions upon the Japanese except possibly restricting their right to build a navy with offensive capabilities.

Secretary Acheson said he was glad to hear this expression of the Prime Minister's views as that coincided very largely with those of the United States and we are now giving active consideration to the policy of proceeding with the kind of a peace treaty that the Prime Minister had outlined. Secretary Acheson said he doubted the efficacy of even naval restrictions as in practice it became extremely difficult to enforce them.

Mr. Dulles expressed the hope that the Prime Minister would return via Japan and acquaint himself personally with the situation there. He said that the Australian Ambassador, Colonel Hodgson, had indicated opposition to a peace treaty at this time, being apparently the only one of the allied diplomatic corps at Tokyo to feel that way. The Prime Minister indicated that Colonel Hodgson's views would not carry great weight with his government.

5 In telegram 399 from Tokyo, August 15, Mr. Sebald reported on his conversation held there the preceding day with the Prime Minister. He stated in part:

"Regarding Japanese peace treaty, Menzies definitely convinced treaty should be negotiated without further delay, not only because Japan in present anomalous position unable contribute its share toward stability and peace in Asia, but because of long-range necessity making Japan firm ally of West. Quoting Chamberlain as saying in 1936 that Britain's greatest mistake was abrogation of Anglo-Japanese alliance, Menzies felt best hold we could have over Japan would be firm partnership with Japan, designed to stabilize situation in Northeast Asia. He of course, fully aware of difficulties to be faced in Australia in "selling" this concept to people, but plans immediately after arrival Australia call together every important newspaper publisher and editor for off-the-record briefing session and plea for assistance in swinging public opinion around to realities of Japanese situation, with special emphasis upon necessity denying Japan and its industrial complex to Soviets. While expressing alarm over potentialities of Sovietized Japan as aggressive force, especially as revived naval power, he felt Communist SEA would pose no immediate threat to Australia for reason that those countries lack naval and air power. He concluded that Japan must at all costs be brought firmly into Western camp and that urgent problem today is definitive action regarding Japan." (694.001/8-1550)

Lot 56D527

Memorandum by the Officer in Charge of Japanese Affairs (Green) to the Director of the Office of Northeast Asian Affairs (Allison)

SECRET

[WASHINGTON,] August 2, 1950.

YOSHIDA'S REPORTED VIEWS ON MILITARY BASES IN JAPAN

On July 29 the Prime Minister is reported to have told the Upper House Foreign Affairs Committee: "I am against leasing military bases to any foreign country", and he proceeded to deny reports that

1 Mr. Allison handed this memorandum to Mr. Rusk on August 3.
the Government had been requested to lease bases, asserting the “Allied powers do not intend to present such a demand, as it is the desire of the Allied powers to keep Japan out of war.” On August 1 Mr. Sebald reported that he was informed by the Vice Minister of Foreign Affairs (Mr. Ohta) that the above statement was considered one of the most important made to date of the Prime Minister. In reply to Mr. Sebald’s inquiry how Japan expects to have security, Mr. Ohta replied that Japan would rely upon UN protection as in the case of the Republic of Korea. Under further questioning, Mr. Ohta said that the Prime Minister was opposed to any foreign troops remaining in Japan upon the conclusion of a peace treaty.

It is difficult to determine what Yoshida had in mind in making the foregoing statement. He has previously implied in many public statements, and privately through his emissary, Mr. Shirasu,² that he did not believe neutrality answered Japan’s security problem which required protective US bases in Japan in the post-treaty period. While it is possible that the Prime Minister issued the above-quoted statement for political reasons, hedging against a future date when US bases might prove unpopular in Japan, it nevertheless seems curious that Yoshida should not have taken this position earlier, during the recent election campaign for the Upper House, when political considerations were supervening. To make his statement now is all the more mystifying in view of the Korean war which has pointed out the true character of Communist aggression and the need for first-class armament and bases to stave off aggression. That the withdrawal of US bases from Korea was followed by the Red invasion of that country provided a clear-cut object lesson to Japan. As reported in a PolAd despatch dated July 11, 1950,³ Mr. Ohta informed Mr. Sebald that the hostilities in Korea resulted in the question of security no longer presenting a problem to Japan, inasmuch as Japan would now gladly accept any reasonable proposition which the United States might put forward regarding Japanese security.

A possible explanation of why Yoshida made the above-quoted statement at this time is provided by Mr. Sebald in his August 1 cable.⁴ He speculates that the Prime Minister and the Foreign Office “appear to be laying the groundwork for future bargaining.”

The war in Korea has pointed up the need for US bases in Japan. Just as US bases in Japan made it possible for the US to go to the defense of South Korea, so it is now clear that US bases in Japan will prove a critical factor in protecting the whole US position in the Far

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² Mr. Jiro Shirasu was in the United States for two weeks ending on or about May 9, 1950. In a memorandum of a conversation held with Mr. Shirasu that day, Mr. Green had stated in part that Mr. Shirasu had said permanent neutrality for Japan was illusory. (694.001/5-860)

³ Not printed.

⁴ Telegram 294 from Tokyo, not printed. (794.00/8-150)
East. Japanese leaders must be fully aware of this fact, and it would be logical for the Japanese (who have never hesitated to play power politics on a grand scale) to intimate that the price for these all-important bases in Japan is greater than the US had perhaps reckoned. Certainly the Japanese are in a position to refuse a treaty imposing any disabilities on Japan. They are also in a position to seek—and to obtain—treaty terms recognizing Japan’s right to self-defense. Because acceptance of US bases is the price Japan knows she must pay for an early treaty, Mr. Yoshida is probably prepared to accept them at least for a defined short period of time, provided the other treaty terms and supplementary concessions (such as economic aid) are adequate.  

*In a memorandum of August 3 to Mr. Rusk, Mr. Allison said in part that Mr. Yoshida’s reported statement indicated at least superficially an about-face from the Japanese position as revealed in the Ikeda–Dodge conversation of May 10 (p. 1194). Mr. Allison stated that both he and Mr. Kennan urged further clarification of the matter. (794.00/8–350)*

694.001/8–350

Memorandum of Telephone Conversation, by the Consultant to the Secretary of State (Dulles)

TOP SECRET

[WASHINGTON,] August 3, 1950.

Subject: Japanese Peace Treaty

Participants: Secretary of Defense Johnson

Mr. Dulles

I said to the Secretary that I would like, at his convenience, to talk with him about the Japanese treaty situation. Secretary Johnson said that they had a war on and didn’t have time to talk about that now. I said that even though there was a war on in Korea we should continue to pursue political objectives, that in the past our failure to do so had meant that we had won wars but lost the peace and this time I felt it essential that we should deal politically with such problems as Japan and Germany while the war was on or otherwise we would find at the end that we had lost both of these vital areas. Secretary Johnson said that he agreed with that, and merely meant that they were not able to discuss the memorandum at the moment. I said I had not asked for, or expected, immediate discussion.

Secretary Johnson then said that the draft received from the Secretary did not carry out the views of the Joint Chiefs of Staff or General MacArthur. He said that MacArthur had reversed his original position as a result of the talks that he and Bradley had with him.

*Apparently the draft security articles as they stood on July 28. (See the draft of July 25 and its footnotes, p. 1260.) Secretary Acheson had transmitted the draft security articles under cover of a letter of August 1 to Mr. Johnson, not printed. (694.001/7–2750)*
and that MacArthur's present position was embodied in a second, highly secret, memorandum which MacArthur had given Johnson but which we had not seen. He said it seemed that the State Department had proceeded on the basis of MacArthur's first memorandum, but not the second one.

I said that I was entirely familiar with the second memorandum, that it was dated June 23rd and it followed a talk which I had had earlier with General MacArthur and that the draft of treaty articles which Secretary Acheson had sent to Secretary Johnson was intended to, and I thought did, carry out the position expressed by General MacArthur in the second memorandum. I said that that draft gave the United States the right to maintain in Japan as much force as we wanted, anywhere we wanted, for as long as we wanted, and I did not see very well how the Defense Establishment could want more than that.

Secretary Johnson said that their first reading of the draft had not given them the impression that it was as broad as I described, but they had the impression that the Department was still working on the abandoned theory of "bases.”

I said that was not so, that the word "bases" was not even mentioned in the draft.

Secretary Johnson then said that the draft had been sent for study by the Joint Chiefs of Staff and that if, in fact, it was the intention of the State Department to give as broad rights as I had mentioned and as were referred to in MacArthur's second memorandum, then he thought we could "get together and go places."

I affirmed that that was our intention and Johnson said that the Defense Department would be prepared to discuss the situation with us in about a week; that the only concern of the Defense Establishment was with the matter dealt with in our draft and as regards the other features of the treaty they were political so that we could go ahead on those without being held up in any way by the Defense Establishment.

I said we were doing that, and would expect word when they were ready to discuss the draft transmitted.

894.00/8-850

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs to the Director of That Office (Allison)

SECRET

[WASHINGTON,] August 8, 1950.

Subject: Japanese Self-Support

During the past two days I have been endeavoring to determine what effect the Korean war and stepped-up U.S. and European re-
Armament is likely to have on Japan’s economic prospects and probable date of self-support. Although I have no doubt that you are aware of the factors mentioned below from Mr. Doherty and other sources, it may be worthwhile to note them in the treaty connection.

The Korean war and western re-armament should have a heavy net favorable effect on Japanese economic prospects for the next few years:

1. Increased Dollar Resources of Primary Producing Areas—It is estimated that Malaya and Indonesia alone will each increase their dollar earnings 200–300 million a year through increased U.S. and European rubber, tin and other raw material purchases. Japan’s basic problem—insufficient availabilities of cereals, cotton and other products from South and Southeast Asia—will not be improved by this development, but Japan should be able to earn a good many of the increased supply of dollars through exports to the southern regions, using those dollars to buy essential supplies from the western hemisphere. How large a proportion of the dollars it will be able to earn will depend on its competitive ability, a department in which Japan is standing increasingly well.

2. Reduced U.S. and European Export Competition—Western re-armament can be expected on the basis of past experience to bring about a reduction of exports by the re-arming countries, caused by the same forces which will bring a curtailment of civilian consumption at home. This reduced competition will facilitate Japan’s acquisition of the dollars mentioned above and a general expansion of Japanese exports.

3. Earnings for Korea Support—Japan is being paid considerable dollar sums for the Korean support operation. According to one estimate materials have already been contracted for to the amount of 50 million dollars, and a total of 200–300 million dollars may be spent in Japan during the present U.S. fiscal year. When the fighting is over Japan expects to derive further earnings from Korean rehabilitation.

As against these favorable factors the terms of trade are moving against Japan. Prices of primary products have already risen considerably, supply being generally inelastic in face of the increased demand. Although prices of manufacturers are now beginning to rise, they will probably remain some distance behind. This factor is expected to offset only partially the gains under 1, 2 and 3, however.

As a consequence of these developments it looks as if Japan in U.S. fiscal 1951–52 would be almost bulging with dollars compared with previous years. When asked if Japan would need further appropriated aid in that year a Japanese Government economist now visiting this country said “absolutely not”. If a plan of partial pay-as-you-go should be adopted this would be even better assured.

The significance in the treaty connection of Japan’s probable early achievement of self-support would seem to lie in the reduced amenability to occupation controls which is likely to occur as Japan approaches and achieves self-support, and the greater bargaining power


which a self-supporting Japan would have in the negotiation of a treaty. If we are going to have a treaty at all I would say that Japan's more favorable economic prospects add to the weight of argument for having it soon.

Memorandum by the Consultant to the Secretary (Dulles) to the Assistant Secretary of State for Economic Affairs (Thorp)²

SECRET

WASHINGTON,] August 9, 1950.

On the theory that circumstances may make it desirable to act expeditiously to bring about peace with Japan on the basis of a simple Treaty, Mr. Allison and I have drawn up the annexed as a possible alternative to the long form previously circulated,² and on which we should appreciate your comments.

[attachment]

Draft #2

AUGUST 7, 1950.

PREAMBLE

The United States, ___________ and ___________, hereinafter called the Allied and Associated Powers, and Japan, desire that henceforth their relations shall be those of nations which, as sovereign equals, cooperate in friendly association to promote their common welfare and to maintain international peace and security.

Accordingly they have concluded this treaty.

CHAPTER I

PEACE

1. The Parties declare and agree that the state of war between them is ended forthwith.

CHAPTER II

SOVEREIGNTY

2. Subject to the provisions hereof and of any other relevant treaties, the Allied and Associated Powers accept the full sovereignty of the Japanese people, and their freely chosen representatives, over Japan and its territorial waters.

¹ Copies of this draft had been sent to Messrs. Kennan, Rusk, Nitze, Fisher, and Hamilton on August 7.
² Copies of the long form draft as it had evolved by July 18 and August 3, 1950, together with extensive covering memoranda and commentaries, are filed under 694.001/7-1850. The long form draft was in 44 articles and 8 annexes. It included no security provisions.
Chapter III

United Nations

3. Japan, as a peace-loving nation prepared to accept the obligations contained in the Charter of the United Nations, will promptly apply for membership in that Organization and the Allied and Associated Powers which are Members of the United Nations will support that application.

Chapter IV

Territory

4. Japan recognizes the independence of Korea and will base its relation with Korea on the resolutions adopted by the United Nations Assembly on December —, 1948.

5. Japan accepts whatever decision may hereafter be agreed upon by the United States, the United Kingdom, the Soviet Union and China with reference to the future status of Formosa, the Pescadores, Sakhalin south of 50° north latitude and the Kurile Islands. In the event of failure in any case to agree within one year, the parties of this treaty will accept the decision of the United Nations General Assembly.

6. Japan accepts the action of the United Nations Security Council on February —, 1947 (?)(3) with reference to the trusteeship of former Japanese mandated islands and will accept any decision of the United Nations which extends the trusteeship system to all or part of Ryukyu and Bonin Islands.

Chapter V

Security

[Here follow the security clauses of this draft. Though renumbered, they are identical in substance to the draft security articles of July 25, except as noted otherwise in footnotes 1, 2, and 3 thereto. Text forms the attachment to the memorandum of July 27 from Mr. Dulles to the Secretary, page 1260. The “note” to that attachment does not appear in the present draft.]

Chapter VI

Political Clauses

11. Japan will continue to be a party, or if not now a party will seek adherence, to the multilateral treaties and conventions designed to prevent the misuse of narcotics, to conserve fish and wildlife, to prevent traffic in women and children and in general multilateral

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treaties designed to promote the general welfare of the world community.

12. Pre-war bilateral treaties between the parties may be kept in force or revived at the election of either party upon its notification to the other within six months. Such bilateral treaties shall be subject, however, to the provisions of Article 102 and 103 of the United Nations Charter and the provisions of this Treaty.

13. Japan renounces all special rights or interests in China.

14. Japan will respect the sentences imposed by military tribunals of the Allied and Associated Powers on persons who are incarcerated in Japan. The power to grant clemency, reduce sentences, parole and pardon may be exercised by Japan only with the approval of the Government or Governments which imposed the sentence in each instance. In the case of the persons sentenced by the International Military Tribunal for the Far East, such power may be exercised by Japan upon the approval of a majority of the Governments represented on the Tribunal.

CHAPTER VII

CLAIMS ARISING OUT OF THE WAR

15. Except as herein provided, the Allied and Associated Powers and Japan reciprocally waive claims against each other for acts taken during the state of war hereby ended.

16. Each of the Allied and Associated Powers will have the right to retain and dispose of all Japanese property rights and interest which were within its territory at any time between December 7, 1941 and September 2, 1945 excepting: (a) Property used for diplomatic or consular purposes; and (b) Property belonging to religious, charitable, cultural or educational institutions and used exclusively for non-political purposes.

17. Japan will restore the property in Japan of the Allied and Associated Powers and their nationals and, to the extent that this property has been lost or damaged as a result of the war, will make compensation in Yen equal to _____% of the amount necessary at the time of payment (a) to purchase similar property, or (b) to restore the property to its condition on December 7, 1941.

18. Japan declares its readiness promptly to negotiate and conclude with each of the Allied and Associated Powers treaties to put on a stable and friendly basis the commercial, trading and trademark relations between them. No such treaty shall extend to any one of the Allied and Associated Powers treatment more favorable than that extended to any other. Pending the conclusion of such treaties, Japan will extend to the governments, nationals and properties, business and trade of each of the Allied and Associated Powers the most favored
nation treatment and will not take, as regards them, any discriminatory or confiscatory action.

CHAPTER VIII
SETTLEMENT OF DISPUTES

19. Any dispute between the Government of an Allied and Associated power and the Government of Japan concerning the interpretation or execution of the present Treaty which is not settled through diplomatic channels, mixed claims commission, or otherwise shall, at the request of a Party to the dispute, be referred for decision to the International Court of Justice.

CHAPTER IX
EFFECTIVENESS

20. The present Treaty shall come into force between Japan and any Allied and Associated Power signatory hereto when ratifications by such two Parties shall have been deposited with the government of the Allied and Associated Power in question.

21. Except for the provisions of Article 13, the present Treaty shall not confer any rights and benefits upon any State which shall not have executed or adhered to and ratified the present Treaty.

794.00/9-950 : Telegram

The Acting United States Political Adviser for Japan (Sebald) to the Secretary of State

SECRET

Tokyo, August 9, 1950—11 a.m.

351. Redeptel 203, August 4. In an informal conversation with Ohta yesterday, I expressed views suggested ref tel.

Manifesting some confusion in his attempt to explain the Prime Minister's position, Ohta said that notwithstanding clearcut statement, it is now his opinion that no change has taken place in Prime Minister’s attitude. He said no Japanese statesman could at this time publicly declare that he is in favor of granting bases or maintaining US troops in Japan subsequent to peace treaty. He also pointed out that questions in Diet were really divided into two parts: (1) Whether a request had been made by any power for military bases and (2) whether Prime Minister would publicly announce that he had no intention whatever lending military bases.

1 Not printed.
Ohta said Prime Minister’s reply was cast in light of lengthy and involved questions. As to first, Yoshida replied categorically that no specific request has at any time been received from any power for military bases. Regarding second, the record shows that he said, “To express what is in my mind, I do not want to lend military bases”. This was, however, qualified by further statement to effect that Socialist Party had been spreading propaganda that Prime Minister desires lend bases in return for “separate peace”. Prime Minister said he did not think UN were considering a demand for military bases.

When I reminded Ohta of our previous conversation (mytel 294) he replied that obviously without knowledge contents of draft treaty and specifically of security provisions, if any, it would be academic for Japanese Government at this time make any commitments with respect to maintenance of bases or troops in Japan. He felt, however, that if treaty failed contain specific and satisfactory provisions regarding Japan’s security, there is every possibility that Japanese Government would ask US and UN to guarantee Japan’s security, a request which might imply maintaining troops in Japan if necessary to carry out such guarantee.

Examination of translation verbatim minutes of interpellation and reply by Yoshida indicates obvious intention on part Prime Minister give impression he does not desire military bases. At same time his statement is so hedged with philosophical double talk as to leave way open for later approach on problem of security.

Airmailing translation verbatim relevant interpellation and reply.  

SEBALD

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2 Of August 1, from Tokyo, not printed.
3 In his memorandum dated August 7 of the conversation with Mr. Ohta on which telegram 351 is presumably based, Mr. Sebald said in part that in connection with the security question “... Mr. Ohta confided in me that General MacArthur had previously upon several occasions told Mr. Yoshida that the maintenance of bases and troops in Japan proper is unnecessary so long as Okinawa and other islands would remain under the control of the United States. I said that in the light of the Korean situation, it might be possible that General MacArthur has changed his mind in this regard, although I did not, of course, know for certain. Furthermore, it appeared academic to speak of bases per se, when it might be necessary to consider Japan as a whole as a base because of possible external aggression.” (Tokyo Post Files: 320.1 Peace Treaty).
4 A copy of this translation forms the enclosure to Mr. Sebald’s letter to Mr. Allison of August 10, neither printed. (704.00/8-1050)

In a memorandum of August 28 to Mr. Allison, Mr. Fearay stated in part that Prime Minister Yoshida’s statements indicated his government was “... not going to issue a public invitation to us, at our suggestion or otherwise, to retain post-treaty bases, as appeared possible some months ago. While the opposition of the other parties to a separate peace has been crumbling Yoshida’s willingness to appear as an exponent of the almost inevitable corollary of a separate peace, foreign bases, has diminished. The only explanation seems to be that for obvious political reasons he wishes to follow rather than lead on the base question until public opinion can catch up further and until the U.S. has stated its requirements.” (684.001/8-2350)
Memorandum by the Consultant to the Secretary (Dulles) to the Secretary of State

SECRET

[WASHINGTON,] August 11, 1950.

In pursuance of our talk last evening, I enclose a memorandum outlining possible next steps with relation to a Japan Treaty.

[Enclosure]

AUGUST 11, 1950.

JAPAN TREATY PROCEDURE

The next steps in relation to the making of a Japanese Peace Treaty might be as follows:

1. Agreement by September 1st by the Executive Branch of the United States Government as to what it wants in the Treaty.

2. Informal discussions to be initiated by the Secretary of State at New York about September 12th with the representative of the British Commonwealth group. (They have already twice met among themselves to discuss the Treaty.) Particular attention should be paid to India.

3. After the reaction of this group has been received and any adjustments made as a result, then the draft would be informally discussed with the representatives of other FRC powers at the United Nations General Assembly.

4. Concurrently with the foregoing proceedings, a U.S. political representative would go to Japan with the draft and confidentially discuss it with the Japanese Government and also seek a procedure for Japanese participation in the Treaty-making process which will assure genuine acceptance by the representatives of all important non-communist political groups in Japan.

5. Concurrently with the two foregoing steps the draft would be discussed informally with members of the Senate Foreign Relations and Armed Services Committees.

6. At this point, presumably November, decision would be made as to future procedure. It might be decided to hold a preliminary and/or final “Peace Conference” or it might be decided to proceed by diplomatic channels. The latter course has advantages in that it would avoid the problem of Chinese participation in a Peace Conference. Also, it might facilitate slight and acceptable variations as between the different countries. For example, the India-Japan Treaty might omit security provisions which were primarily of concern to the United States and Japan.
JAPANESE PEACE TREATY

1. Responsible Officer:
   John Foster Dulles, S

2. Interested Offices and Agencies:
   Department of State
   S—John Howard
   FE—Maxwell Hamilton, John Allison
      William Sebald, Acting Political Adviser in Tokyo
   Department of Defense
   General Burns; Goldthwaite Dorr

3. How Coordinated:
   Informally.

4. Status of Coordination:
   Our differences with Defense are still unresolved.
   [A background section is omitted here.]

5. Recent Action Taken:
   a) The Secretary has discussed with the President the desirability
      of proceeding at once to work out with Defense a plan for a peace
      treaty. The President agreed that it was important to get on with
      the matter and approved our suggested procedure. Accordingly,
      we sent to Defense early in August for study and comment a draft of
      prospective articles on international peace and security which might
      be used in a treaty and which are designed to give the US, in a form as
      inoffensive as possible to the Japanese, the broad power to place
      military forces wherever in Japan the US may determine to be desirable
      from the standpoint of the maintenance of international peace and
      security in the area. The Secretary of Defense has informed us that the
      draft has been sent to the JCS for study, remarking that the proposal
      did not appear to carry out the views of the JCS or of General Mac-
      Arthur. The latter, however, expressed his general agreement with the
      proposal in his recent conversation with Mr. Harriman.²

¹ One of several summaries of important problems prepared at this time for
the use of the Under Secretary’s office.
² Mr. Harriman held talks with General MacArthur in Tokyo on August 6 and
8; see ante, p. 427. In a letter to General MacArthur of August 11, Mr. Dulles had
said in part: “Averell Harriman has told me of his satisfactory talks with you.
I am particularly gratified that you liked the draft of the proposed ‘International
Peace and Security’ paragraphs of a prospective peace treaty. I drew these up
personally, and made a particular effort to try to reflect the spirit of our talks
and of your two memoranda. If I have measurably succeeded, I am gratified.”
(694.00/8-1150)
b) We have now sent to the NSC with a request for urgent consideration a paper which concludes that: 1) the US should now proceed with the steps necessary for a Japanese peace settlement; 2) the Department should be authorized to undertake confidential discussions with Commonwealth countries and other friendly FEC members to ascertain whether they would generally favor the type of settlement desired by the US and how they propose to proceed; 3) we would be authorized in these discussions to propose, without final US commitment, that security provisions in the settlement be along the lines of the draft provisions sent to the Defense Department; 4) a representative of the Department should be sent to Japan to discuss with General MacArthur and the Japanese government the procedures which might be desirable to insure genuine acceptance of the proposed settlement by the Japanese people; 5) we should exploit the political and diplomatic advantages of the decision to proceed with the treaty, making full use of public statements and information releases timed for their maximum effect; 6) upon completion of these steps and prior to any final arrangements, the matter will again be referred to the NSC for consideration.4

[Here follow brief sections devoted primarily to procedural matters.]

9. Current Evaluation:

We remain convinced that the early conclusion of a peace settlement with Japan is essential, participated in by all nations which declared war on Japan. While there are outstanding points of contention between the US and other nations such as reparations and level of industry, these are well defined and understood and, we believe, will be importantly affected by the type of security arrangements which are finally undertaken. The importance of the nature of these security arrangements has, of course, been highlighted by the present situation in Korea, which Mr. Dulles observed on his recent trip to the Far East had had considerable influence on Japanese thinking with regard to US bases in Japan.

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4 This paper, headed "Peace Settlement with Japan," was forwarded by Ambassador Jessup on August 15 to Mr. Webb, who sent it on to the NSC on the following day. (Lot 63D35: Folder "NSC 60 memoranda")

With regard to the steps summarized here, the paper identified in the preceding footnote read in part: "The informal steps contemplated in this paper may take from five to six months. Upon completion of these informal steps, the matter will again be referred to the National Security Council. If it should then be decided to proceed formally, as much as another nine months might be required for ratification of a treaty. The date of the final act of ratification would be wholly within United States control and, until ratification, the present occupation rights would continue."
10. Plans for Future Action:
We will continue our efforts to reach an agreed US position so that we may proceed with treaty negotiations.

794.0221/8-1550

Memorandum by the Deputy Director of Mutual Defense Assistance (Ohly) to the Director of the Office of Military Assistance in the Department of Defense (Lemnitzer)

TOP SECRET

[WASHINGTON,] August 15, 1950.

Subject: Possible Contribution by SCAP to MDAP in South and East Asia

Reference is made to my memorandum dated June 9, 1950, subject: Possible Contribution by SCAP to MDAP in South and East Asia.1 This memorandum listed certain foreign policy considerations which argued against the use of Japanese industry as a source of procurement of non-armorment items to be transferred to eligible countries under the MDAP. Briefly summarized, these considerations were as follows:

1. Policy decisions adopted by the Far Eastern Commission, and contained in
   a. Part IV, paragraph 1, of the Basic Post Surrender Policy for Japan, adopted June 19, 1947;

2. The desire of many, probably most, Japanese to observe strict neutrality.

3. The fears of the Philippines and possibly other East Asian recipients of MDAP of revived Japanese militarism, and the fact that these countries regard Japanese equipment as second rate, especially in reference to comparable United States products.

My memorandum also stated that, “if there are specific projects which would appear not to be subject to the foregoing objections, the Department would give sympathetic consideration thereto with the view to finding a basis for approval.”

The Department of State has kept this problem under examination and has determined that such projects as the procurement in Japan for the MDAP (1) of trucks, motorcycles, radios and other normal peace-time goods, or (2) of such services as the utilization of Japanese

1 Not printed.
facilities in the repair of ships or airplanes, would not seem to be precluded by the legal or policy objections previously mentioned.

John H. Ohly

Memorandum by the Deputy Director of the Executive Secretariat (Sheppard) to Mr. Windsor G. Hackler of the Bureau of Far Eastern Affairs

TOP SECRET

WASHINGTON,] August 21, 1950.
Subject: NSC Meeting, August 17

Quoted below for information is a section from a memorandum dictated by Mr. Webb after he returned from the NSC meeting Thursday, August 17:

"Item 5. Secretary Johnson raised the question of the Japanese Peace Treaty, security section, and was critical of the Department's desire to put this on the agenda prior to reaching an understanding on the wording with the Defense Department. He stated that he had been prepared for over a month to discuss this with the Secretary of State, that the State Department had not been prepared to go into the matter and that Defense would prepare a memorandum which would be available to the State Department early next week. The discussion here was somewhat heated, as I told him I was not prepared to accept the charge that the State Department had delayed this matter and I could not make out whether he was suggesting it was not a proper matter for discussion in the Security Council. It was left that we would receive his paper early next week and discuss it at the next NSC meeting. One of Secretary Johnson's points was that he felt there was no disagreement between the two Departments as to what we wished to do, but that the language prepared by Mr. Dulles did not state the thing clearly and in terms which would not be misunderstood from a military standpoint. He also made the point that some of this language seemed to be related to some of the older treaties with Japan and would, therefore, be subject to misunderstanding."

W. J. Sheppard

Memorandum by the Counselor of the Department (Kennan) to the Consultant to the Secretary (Dulles)

SECRET

WASHINGTON,] August 21, 1950.

Your memorandum of August 15 about the short form of the Japanese Peace Treaty which you had drawn up makes it necessary for me to put forward my views at somewhat greater length.

In it Mr. Dulles had said: "Referring to my memorandum of August 7, 1950 with reference to a short form Japanese Peace Treaty, I understand that such comments as you wish to make were expressed to me orally and that you are in general agreement." (694.00/8-2150) With the memorandum of August 7, not printed, Mr. Dulles had enclosed a copy of the treaty draft of August 7, p. 1267.
1. I am not sure that I am full conversant with the framework of governmental decisions and assumption within which this draft was formulated. If the question is: whether in general I approve of this type of treaty, as part of a basic policy toward Far Eastern countries, there would be a great deal to say which I think would go far beyond what you had in mind with your inquiry. If, on the other hand, it is regarded as accepted that we must have a treaty with Japan allowing for the continued presence in that country of American armed forces, coupled with their freedom to move anywhere in Japan and to make use of Japanese facilities at the will of the United States Commander, and that these obligations must be anchored in the peace treaty itself, then, while I have misgivings about the success of such a general policy, I think that the draft of the key provisions, namely those dealing with the stationing of forces in Japan, is as good as any I could devise, and I have no suggestions for improvement.

2. I would, however, even on this assumption, question paragraph 5, dealing with the future status of Formosa, the Pescadores, South Sakhalin, and the Kurile Islands. As drafted, this paragraph seems to make it inevitable that within a year after entry into effect of the treaty the disposal of these territories must become a bone of contention in the Assembly of the United Nations, and one of such a nature that any agreement on it in that body, except by a majority averse to the Soviet Union, is hardly thinkable. Since I do not approve of the policy of trying to use the United Nations Assembly to alter power relationships in the world in present circumstances, I do not feel that this course would be really desirable. It seems to me that it would be better to restrict ourselves here to a formula under which Japan would simply reiterate, as part of the peace treaty, her agreement that “Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine.”

This would leave the Japanese with no responsibility for the disposal of these territories farther afield; and that would probably be desirable in more than one respect.

3. With respect to property rights, I am not informed as to the present status of allied property in Japan. However, on May 26, 1948, I made the following recommendation to the Secretary of State:

“SCAP should be advised to expedite the restoration or final disposal of property of United Nations members and their nationals in such a way that the process will be substantially completed by July 1, 1949. It should be the objective of United States policy to have all property matters straightened out as soon as possible and certainly well in advance of a treaty of peace in order that they may not hamper treaty negotiations.”

2 The quotation is of paragraph 7, section IV, P/PS 28/2, Foreign Relations, 1948, vol. vi, p. 775.
I still consider that it would be preferable to instruct General MacArthur to see to it that all property matters are liquidated by the time the peace treaty enters into effect and have the peace treaty clause merely register that completed fact.

4. Aside from these comments, I highly approve of this brief form of treaty, and consider it definitely preferable to the longer and more detailed type of draft.

GEORGE F. KENNAN

Memorandum by the Secretary of State to the Ambassador at Large (Jessup)

TOP SECRET

[WASHINGTON,] August 22, 1950.

MR. JESSUP: The Secretary of Defense gave me the attached memorandum from the JCS. He has given a copy to the President.

He believes that this memorandum is entirely in accord with the second memorandum of General MacArthur,¹ a copy of which Mr. Dulles brought home. If there are differences in it, he will discuss them with us and is prepared to act himself to bring us into accord. Will you please read this at the earliest opportunity and talk with me tomorrow morning. I have not yet had a chance to read the paper carefully.

DEAN ACHESON

[Attachment]

WASHINGTON, August 22, 1950.

MEMORANDUM FOR THE SECRETARY OF DEFENSE


1. The Joint Chiefs of Staff have studied the draft of prospective articles on "International Peace and Security" relating to a treaty with Japan, enclosed with your memorandum dated 8 August 1950.² They have formulated the following views on both the general question of a Japanese peace treaty and on the subject paper.

2. As an approach to the general question of a Japanese peace treaty and the future status of Japan, the Joint Chiefs of Staff consider it essential to the security of the United States that control of Japan be denied to the USSR, and, as a corollary, that the security of a

¹ Presumably that of June 23, p. 1227.
² Memorandum not printed. The mentioned draft security articles are those enclosed with Mr. Acheson’s letter of August 1 to Mr. Johnson, not printed; see footnote 1 to Mr. Dulles’ memorandum of August 3, p. 1264. (Information obtained from the Department of Defense.)
Western-oriented Japan, for the time being, be assumed by the United States. It is inevitable, however, that the time will come when Japan must resume its status as a sovereign state, able and willing to exercise all of the privileges and to assume all of the responsibilities thereof. In the light of the world situation existing today we must realistically concede that these rights must include that of self-defense. No sovereign state can forever avoid its responsibilities for its own security by relying upon an aura of good will among others when peaceful conditions are so seriously threatened as they are today.

3. A military vacuum is a short-lived anomaly. The United States is not in a position, either under United Nations auspices or unilaterally, to continue indefinitely to meet over-all United States security requirements and at the same time fill such a vacuum as would otherwise exist in a neutral and unarmed Japan. On the contrary, the availability to the United States, in the event of a global war, of the war potential of Japan would be very important to United States strategy, and probably to the bringing of a global war to an ultimately successful conclusion. Equally important is the requirement, in the event of war, for the denial to the USSR or its allies, of the war potential of Japan.

4. In view of the factors set forth in paragraphs 2 and 3 above, the Joint Chiefs of Staff consider that:

a. The necessity of a Japan eventually adequately rearmed for effective self-defense must be faced;

b. All measures undertaken by the United States toward Japan should be interim steps leading to a rearmed and friendly sovereign Japan; and

c. If global war eventuates, the war potential of Japan should be available to the United States.

5. The Joint Chiefs of Staff recognize the present potentially dangerous security situation of Japan, owing primarily to the reduction in occupation forces below safe limits. Recent events in Korea have caused concern among the Japanese people over their security. The people are aware of the threat of communism; nevertheless, they apparently desire an early peace treaty. In this connection certain of their leaders have publicly recognized the need that Japan provide at least a measure of its own protection. In the light of the unstable situation in the Far East in general, the Western Powers would be seriously embarrassed if the USSR in the near future forced the issue of a peace conference with Japan or negotiated a separate peace at a time when the Western Powers were not prepared to accept the possible results of such action.

6. In the light of the present world situation and of the portentous events of the past two months, particularly in the Far East and in the United Nations, and in view of the insecurity of the United States
military position in the Far East, the Joint Chiefs of Staff withdraw their objection to the conclusions of a peace treaty with Japan without the USSR and the Chinese Communists as party signatories to the document. In connection with the foregoing, it should be noted that under the terms of the treaty between the government of the USSR and the Central Peoples’ Government of the Chinese Peoples’ Republic, as made public on 15 February 1950, the parties agreed to undertake “jointly all necessary measures at their disposal to prevent any repetition of aggression and violation of peace...” against a “state which directly or indirectly would unite with Japan in acts of aggression...” The Joint Chiefs of Staff would point out that this provision of the treaty might legally be invoked against the United States were a peace treaty with Japan to be concluded without the USSR and the Chinese Communist government as party signatories. On the other hand, the USSR has demonstrated that its decisions are based upon political expediency and military capabilities. The USSR has evidenced little regard for prior commitments, and has used legalistic justification primarily for argument for the benefit of the USSR. The Joint Chiefs of Staff realize that some risks are implied in the terms of the treaty between the USSR and the Chinese Peoples’ Republic but consider that such risks will be minimized if the Japanese treaty is not ratified until after favorable resolution of the present United States military involvement in Korea.

7. In point of time the Joint Chiefs of Staff believe that the evolution of Japan should be viewed generally as follows:

a. Distant future. The outline of the world situation in the distant future is clouded with uncertainty. A prerequisite to world peace and security will be the resolution of the present conflict between the United States and the USSR. Although the favorable resolution of the present conflict is one which must be considered to be within the capabilities of the free world, the United Nations has not demonstrated potentialities of becoming adequately effective on a world-wide scale. Indeed, the United Nations, as now constituted, is not intended to be capable of acting as a guarantor of peace and security in the face of a major threat. As has been pointed out above, neither can the United States forever guarantee Japan’s security, loss of which might otherwise result from such a major threat. In the distant future, therefore, Japan must be expected to join the family of sovereign nations as an independent state with attendant privileges and responsibilities, including those of self-defense.

b. Intermediate and foreseeable future. The intermediate and foreseeable future holds promise of a peace treaty for Japan embodying, under the Potsdam Declaration, some form of security reservation for the duration of such “irresponsible militarism” in the world as

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* Omissions in the source text.
would be a threat to “peace, security and justice.” From the United States security point of view, such a security reservation must provide that initially Japan will be garrisoned by forces acceptable to the United States and under a United States military command. These garrisons are essential if Japan is to be denied to the USSR. As the exercise of the sovereignty of the Japanese government increases, Japanese security forces should be gradually increased and appropriately armed in anticipation of the assumption by the Japanese government of the full burden of its own security and defense. As effective increases are made, the garrison forces under the United States military commander should be gradually phased out in accordance with the world situation existing at the time. If global war eventuates during the intermediate and foreseeable future, the war potential of Japan should be available to the United States.

c. Immediate future. In view of the present situation in the Far East, the Joint Chiefs of Staff consider that, at least for the immediate future, the existing arrangement of a Supreme Commander for the Allied Powers (SCAP), together with the controls exercised by him, and the military occupation must be continued. If political considerations are compelling, however, the Joint Chiefs of Staff, from the military point of view, could accept the initiation of negotiations leading toward a Japanese peace treaty, provided that SCAP and his authority continue until the treaty comes into effect, and provided further that the negotiations are not brought to a conclusion until after the favorable outcome of United States involvement in Korea. In any event, if global war should eventuate, the war potential of Japan should be available to the United States.

8. The Joint Chiefs of Staff consider, from the military point of view, that security requirements of the United States dictate the following with respect to any Japanese peace treaty:

a. It must not become effective until after favorable resolution of the present United States military situation in Korea;

b. It must assure that Japan is denied to the USSR;

c. It must provide that, initially, Japan will be garrisoned by forces acceptable to the United States under a United States military command;

d. It must provide that foreign forces unacceptable to the United States not be permitted in any of the Japanese islands to the southward of Sakhalin and the Kurile Islands;

e. It must provide that the United States will eventually withdraw its garrison forces, the manner and method of phasing to be determined in accordance with United States estimates both of the nature and extent of threat to the peace and security of Japan and to the free world existing at the time, and of the extent to which Japan is able to assume the burden of defense against that threat.

f. It must not contain any prohibition, direct or implicit, now or in the future, of Japan’s inalienable right to self-defense in case of external attack, and to possess the means to exercise that right.

g. Its terms must provide that the garrison forces not be restricted within limited base areas, and that the individuals thereof enjoy the same rights of free passage in Japan, and bear the same responsibilities as to law and order there, as they do in the United States. In this
connection, Japan in the post-treaty period should be fully responsible for its own internal affairs, and should not be expected to pay the costs of the garrison.

2. It must not disturb the United States strategic trusteeship over the Marianas, Caroline, and Marshall Islands; and,

3. Its terms must secure to the United States exclusive strategic control of the Ryukyu Islands south of latitude 29° north, Marcus Island, and the Nanpo Shoto south of Sofu Gan.

9. Specific comments addressed to the draft of the prospective articles of “International Peace and Security,” prepared in the Department of State and forwarded with your memorandum, are as follows:

a. The Joint Chiefs of Staff are convinced that the security interests of the United States are not adequately safeguarded therein. In this connection, the draft articles do not meet the minimum security requirements of a treaty as set forth in paragraph 8 above.

b. The Joint Chiefs of Staff consider unsound any formula which seeks to rest United States security interests on the United Nations alone. While recognizing the importance of the continued existence and the United States support of the United Nations, and while wholly supporting its aims and objectives, the Joint Chiefs of Staff feel strongly that the United Nations now and in the foreseeable future must, under no circumstances, be the sole instrumentality for any of the essential security interests of the United States.

For the above reasons, the Joint Chiefs of Staff regard as unacceptable the draft of prospective articles of “International Peace and Security,” which was prepared by the Department of State.

10. The Joint Chiefs of Staff recommend that you inform the Secretary of State of the substance of this memorandum as representing the minimum requirements to provide adequate security to the United States in a treaty with Japan.

For the Joint Chiefs of Staff:

Omar N. Bradley
Chairman
Joint Chiefs of Staff

Memorandum by the Director of the Office of Northeast Asian Affairs (Allison)\(^1\) to the Secretary of State

TOP SECRET

[WASHINGTON,] August 24, 1950.

Herewith the revised memorandum of comment on the Joint Chiefs’ Memorandum concerning the proposed Japanese Peace Treaty.

\(^1\) In a memorandum to the Secretary of August 17, Mr. Dulles had indicated in part that he was about to go on 2 weeks’ vacation.

Also in the course of this memorandum, Mr. Dulles had mentioned speaking casually with the President that day about several matters and had stated the latter had indicated “... he felt there ought to be a political decision to proceed lest we lose our influence in Japan.” (694.001/8–1750)
I have had an original and one copy made which you could leave with the Secretary of Defense. Attached to these copies is a copy of the August 18 draft of the peace treaty as a whole which can be left for the information of the Joint Chiefs. It should be made clear that this draft is not final and has not received final approval within the Department. However, it incorporates the comments of all of the offices concerned within the State Department and in general expresses agreed ideas. Article 5 of the draft does not have general approval and will probably be changed somewhat. This is the Article which deals with the disposition of Formosa and the Kuriles. There also may be added an Article setting up mixed claims commissions or an arbitral tribunal for the settlement of disputes arising under the treaty. This problem is now under discussion between my Office and that of the Legal Adviser.

You will note that I have left unchanged in paragraph 37 on page 3 of the memorandum the statement that we agree with the Joint Chiefs that “Japan in the post-treaty period should be fully responsible for its own internal affairs.” I believe it is important to have the military recognize this principle and I do not see how we can spell out in the Treaty the exact definition of the phrase or what would happen in case of internal riots of a serious nature. Normally we would hope such disturbances could be handled by the Japanese police, but obviously if they got out of hand it would be necessary for our own forces to take part. I believe we must leave this problem open for settlement on an ad hoc basis should it arise. Given good will on the part of the Japanese Government, which we should be able to count on after a peace treaty, and given good sense on the part of American diplomats and military in Japan, there should be no real difficulty in this connection. In my opinion it would be better not to raise the issue with Secretary Johnson at this time.

You will note that there are two phrases used in the Joint Chiefs’ Memorandum upon which we request specific clarification. The first of these appears in paragraph 2 of my memorandum and is the phrase, “the war potential of Japan should be available to the United States”. It would seem to me that we obviously cannot include in a general multilateral peace treaty such a provision. However, with the United States forces in Japan and accepting the military judgment, as most recently stated in a General Staff Intelligence study on “Soviet and Communist Capabilities in the Far East” dated August 11, 1950, that in the event of a global war Japan would be attacked by the USSR, we can be certain that as a practical matter Japan’s war potential would

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*Not printed.
*The language of this article is substantively identical to that in numbered paragraph 5 of the draft of August 7, p. 1268.
*Not found in Department of State files.
be made available to the United States. There certainly is nothing in the Treaty as drafted by this Department to prevent it.

In paragraph 3a on page 3 of my memorandum, we also request clarification concerning a phrase about individual members of the United States forces remaining in Japan enjoying the same rights and bearing the same responsibilities as to law and order in Japan as they do in the United States. I do not suggest a lengthy discussion of this point at this time, but I believe it would be made clear that the State Department cannot agree to complete extraterritoriality for United States forces in a post-treaty Japan, should that be the Defense Department's desire. In our negotiations with Defense over rights of our military in Austria and in Korea, it has become evident that the Defense Department wishes to obtain agreement that no member of the United States armed forces in those areas can be sued in a civil court for actions taken in his private capacity. Inasmuch as the Army itself will not assume civil jurisdiction over its members this would apparently leave them subject to no law whatsoever and would probably be a source of constant friction and embarrassment to this Government in its relations with the Japanese should such rights be insisted upon.

There is one minor point which you should have in mind. After writing my memorandum, I obtained a copy of your covering letter of August 1 to Secretary Johnson transmitting the Treaty draft and I note that it makes no reference to the time of going into effect of the Treaty as stated in paragraph 3a of my memorandum. However, in the covering memorandum to the NSC which transmitted the draft Security Chapter, this was made clear and inasmuch as it was sent in the name of the Secretary of State I believe the phraseology in 3a is substantially correct.

I am making copies of this revised memorandum available to Messrs. Matthews, Jessup, Dulles and Rusk.

JOHN M. ALLISON

[Attachment]

AUGUST 23, 1950.

MEMORANDUM

1. The Department of State has studied carefully the Memorandum for the Secretary of Defense from the Joint Chiefs of Staff, dated

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*No letter of the Secretary to Mr. Johnson of August 1 transmitting the entire text of the treaty has been found in State Department files. Mr. Acheson did enclose with his letter of August 1 to Mr. Johnson, not printed, a draft of the security chapter (apparently the draft of July 25 as modified July 28, p. 1260).

*Transmitted to NSC August 16, not printed, but see the summary of a portion thereof in paragraph (6.b.) of the unsigned memorandum of August 14, together with footnote 4 thereto, p. 1273.

*Unchanged from the draft of security articles mentioned in footnote 5 above, but lacking the "note" thereto.
22 August 1950 on a Proposed Japanese Peace Treaty and has the following comments.

2. The Department of State is in substantial agreement with the Memorandum of the Joint Chiefs in so far as paragraphs 2 through 8, inclusive, are concerned. There are certain phrases in these paragraphs which, in the opinion of the Department of State, require clarification but in most cases these are minor matters. The most important point upon which clarification would be helpful is that which appears in several places: "the war potential of Japan should be available to the United States."

3. The Department of State disagrees with the statement in paragraph 9a of the Joint Chiefs' Memorandum that "the draft articles do not meet the [minimum] security requirements of a treaty as set forth in paragraph 8 above." In the opinion of the Department of State the draft security chapter of the Treaty forwarded to the Secretary of Defense by the Secretary of State does meet the requirements of the Joint Chiefs of Staff either explicitly or by implication. There is given below a detailed justification of this opinion in the following sub-paragraphs, lettered to correspond with the sub-paragraphs in paragraph 8 of the Memorandum of the Joint Chiefs of Staff:

a. The Department of State agrees that any peace treaty with Japan should not come into effect until after favorable resolution of the military situation in Korea. It was made clear in the Secretary of State's covering letter that the time of going into effect of the Treaty should be controlled by the United States through the ratification procedure and by the use of diplomatic techniques during the negotiation. In any event it is not contemplated that the Treaty would go into effect for at least a year from the time negotiations begin. This obviously cannot be spelled out completely in the Treaty terms themselves but it is believed that the Joint Chiefs may be assured that the Treaty would not go into effect until such time as the United States Government determined it should, in its own interest. In so far as such matters can be fixed in the Treaty itself, Article 21 of the State Department's draft No. 4 of August 18, 1950, of the full Treaty 8 (not just the Security Chapter) does so. A copy of this draft not previously available to the Joint Chiefs is attached.

b. No treaty can completely guarantee that Japan is denied to the USSR but in so far as that is possible, it is believed the State Department's draft does so. It provides that United States troops shall be garrisoned in Japan in the post-treaty period and that troops of no other power shall be given facilities in Japan except "by agreement with the United States" (Article 8) or "in accordance with the pro-

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8This article reads as follows in the only copy of this draft found in Department of State files: "The present Treaty shall come into force between Japan and the Allied and Associated Powers which have ratified the Treaty when ratifications by __________ shall have been deposited with _________" (694.001/8-1950)

8Articles 8, 9, and 10 of the August 18 draft treaty are equivalent to Articles II, III, and IV of the draft of security articles mentioned in footnote 5 above.
visions of ... 10 Article 43 of the Charter of the United Nations” (Article 9) 11 and in the latter case the United States has a veto and can block any action inimical to it. In the opinion of the Department of State an early treaty concluded on the initiative of the United States and its friendly Allies making it possible for Japan to associate itself on terms of equality with the free world will do much to assure Japan’s orientation toward the West. Accompanied by the safeguards mentioned above the Treaty will do all humanly possible to deny Japan to the USSR.

c. The statements in b above seem to answer this point. Perhaps it should be made more clear that the forces in Japan will be under United States Command and such a provision could easily be added if it is deemed vital. However, there is considerable political advantage to not spelling this out so that the Treaty will look to the Japanese and to the world as little as possible like a grab for power on the part of the United States.

d. As stated above, Articles 8 and 9 of the State Department Draft assure that forces not acceptable to the United States shall have no facilities or rights in Japan.

e and f. It is not believed that the Treaty itself should provide for the eventual withdrawal of United States forces any more explicitly than now provided in Article 10. 11 That Article assures to the United States the decisive voice as to when the security arrangements shall be terminated. As stated under g below it is contemplated that a separate bilateral agreement between the United States and Japan will be concluded simultaneously with the conclusion of the Treaty in which all the various details regarding the implementation of the security arrangements will be worked out. Under this agreement it will be possible to spell out in detail if desirable the methods for any possible phasing out of United States garrison forces. It is not believed desirable at this time to have anything in the Treaty implying the recreation of Japanese military forces, as from the political point of view any such provision would undoubtedly ensure that many, if not all, of our friendly Allies would not go along with us in concluding a Treaty. On the other hand, the Treaty as drafted by the State Department contains no provisions inhibiting Japan’s inalienable right of self-defense. The Department of State agrees that provision must at an early date be made for Japan to begin to assume some of the burden of its own defense and agrees with the sense of paragraphs e and f of the Joint Chiefs’ Memorandum and will cooperate in working to achieve the ends therein described. However, it does not believe that it is either necessary or desirable to include provisions for such matters in a Treaty. As long as there is no prohibition in the Treaty, as there is not, of the eventual establishment of Japanese defense

10 Omissions in this document occur in the source text.
11 Articles 8, 9, and 10 of the August 18 draft treaty are equivalent to Articles II, III, and IV of the draft of security articles mentioned in footnote 5 above.
forces, the Department of State is confident the ends desired by the Joint Chiefs can and will be achieved and in a manner consistent with the overall political interests of the United States.

g. It is believed that Article 8 of the State Department draft gives sufficient basis for the United States to station its forces wherever in Japan and in whatever numbers it may desire. As pointed out in a note to the draft Security Chapter, it is the intention of the Department of State that a separate agreement be concluded between the United States and Japan, simultaneously with the conclusion of the Treaty, which will spell out the detailed provisions deemed necessary by the Joint Chiefs. The Treaty itself provides the broad framework and the foundation for such special agreement. It in no way limits what the United States may obtain. The Department of State would appreciate clarifications with respect to the phrase, "that the individuals thereof enjoy the same rights of free passage in Japan, and bear the same responsibilities as to law and order there, as they do in the United States". The Department of State agrees with the Joint Chiefs that "Japan in the post-treaty period should be fully responsible for its own internal affairs." With respect to paying "the costs of the garrison" it may be deemed advisable for Japan initially to continue to pay a portion of such costs, but this is a matter which would be resolved in the supplementary bilateral U.S.-Japan agreement and does not need to be spelled out in the Treaty itself.

h and i. The provisions of the State Department's August 18 draft of the Treaty as a whole (attached hereto) provide in Article 6 32 for the recognition by Japan of the U.S. strategic trusteeship of the Marianas, Caroline and Marshall Islands and control by the United States "of the Ryukyu Islands south of 29° north latitude, the Bonin Islands, including Rosario Island, the Volcano Islands, Parace Vela and Marcus Island". The Department will be glad to discuss these provisions with the Joint Chiefs at their convenience.

4. With respect to paragraph 96 of the Joint Chiefs' Memorandum, the Department of State agrees that it would be unsound, under present conditions, to rest United States security interests on the United Nations alone. The provisions of the draft Security Chapter prepared in the Department of State do not do this in any way. While casting the Security provisions in the words of the United Nations Charter and in a framework roughly equivalent to that which would prevail if the United Nations were working perfectly, in all cases the final determination of what shall be done and how and when it shall be

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32 This article reads as follows: "Japan accepts the action of the United Nations Security Council of April 2, 1947 extending the trusteeship system, with the United States as the administering authority, to the Pacific Islands formerly under mandate to Japan. The United States will also propose to the United Nations to place under its trusteeship system, with the United States as administering authority, all or part of the Ryukyu Islands south of 29° North Latitude, the Bonin Islands, including Rosario Island, the Volcano Islands, Parace Vela and Marcus Island, as the United States may determine, and pending affirmative action on such proposal Japan agrees that the United States shall have full powers of administration, legislation, and jurisdiction over the territory of these islands."
done is reserved to the United States. Article 10 of the draft Treaty which discusses the transfer of security responsibilities to the United Nations specifically reserves the timing to "those Treaty Powers providing forces under the terms of Article 8. . . ." Article 8 ensures that those Treaty Powers will be the United States and such other Powers as may be agreed to by the United States.

5. For the above reasons the Department of State believes that the treaty draft presented to the Secretary of Defense meets in all essentials the criteria of the Joint Chiefs of Staff.

6. Inasmuch as the Department of State, agrees in substance entirely with the point of view expressed in the Memorandum of the Joint Chiefs and is in agreement with the ends to be achieved in a Treaty with Japan, it is believed there should be no further delay in proceeding with preliminary confidential discussions with the friendly members of the Far Eastern Commission with a view to determining whether they would generally favor the type of Treaty desired by the United States and how they would propose to proceed. It is believed to be within the responsibility of the Department of State to determine the appropriate language in which the Treaty should be drafted in order to obtain the agreed United States objectives.

694.001/8-2950

Memorandum by the Director of the Office of Northeast Asian Affairs (Allison) to the Secretary of State

TOP SECRET

[WASHINGTON,] August 29, 1950.

Subject: Japanese Peace Treaty.

In accordance with instructions,\(^1\) I called on General Carter Magruder this morning to discuss with him in detail the memorandum from the Joint Chiefs of Staff concerning the Japanese peace treaty. I left with him an original and two copies of my memorandum of August 23\(^2\) commenting on the Joint Chiefs' memorandum,\(^3\) and General Magruder and I discussed these comments in detail.

There was found to be general agreement in almost every case. The section of the treaty which seemed to give General Magruder most alarm was Article 10\(^4\) which he interpreted to mean that as soon as Japan is admitted to the United Nations, the security provisions of the treaty would be relinquished. When it was explained to him that this was not so, he raised additional objections, most of which were

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\(^1\) See Mr. Acheson's letter of September 7 to Secretary Johnson, p. 1293.

\(^2\) *Ante*, p. 1284.

\(^3\) Of August 22, p. 1278.

\(^4\) Of the treaty draft of August 18. Articles 8 and 10 of this draft are identical to Articles II and IV of the draft security articles of July 25 as modified July 28, p. 1260.
apparently based upon a lack of understanding of the UN Charter and, particularly, of the meaning of Chapter VII of the Charter. After some discussion, General Magruder seemed to agree that the State Department was not conceding too much, but he continued to maintain that the language of Article 10 was obscure. He suggested minor changes in phraseology which I told him would be given consideration by the Department. The other chief cause for concern was the last sentence in Article 8 of the treaty which General Magruder feared would make it impossible for the United States Forces in Japan to take action against large-scale internal Communist riots. It was agreed that this language could be improved, and I undertook to study the matter with a view to coming up with more acceptable language. I made it clear that the State Department agreed with Defense that there might be the necessity for action against internal riots and that it was not our desire to prevent such action, but only to obtain agreement to the general principle that after a treaty the Japanese Government would have responsibility for internal affairs in Japan.

General Magruder said that it would be necessary to discuss with his associates as well as with the Joint Chiefs the State Department comments, and it would be necessary to show these persons the August 18 draft of the treaty as a whole which was left with him. General Magruder also stated that in his opinion it would be necessary to cable the text of the treaty to General MacArthur for his comments before agreeing to go ahead with preliminary negotiations with other countries. I said that it was my understanding that Mr. Harriman had showed the text of the security clauses to General MacArthur and that the latter had expressed concurrence therein, but I added that I agreed that General MacArthur should have an opportunity to look at the whole treaty. At this point I endeavored to make clear that any text would have to be a tentative one until after negotiations had actually been undertaken, and that the important thing was for State and Defense to agree on a set of objectives which the treaty should bring about and on certain minimum conditions which would have to be included in a treaty. It should then be left to State to negotiate with the other powers on the basis of this agreement, and State should have the responsibility for devising language which would not only meet the necessary Defense conditions, but also be acceptable to our Allies and to the Japanese. I pointed out that there would be many changes of language during the course of negotiations but made clear that before final commitments were made we would again discuss the matter with responsible officials in the Defense Department.

I explained to General Magruder the background thinking of the August 18 draft and he agreed that a short general treaty was desirable. I also explained the necessity for speed in considering this

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5 See footnote 4 above.
matter in view of our desire to discuss the treaty with our friendly Allies during the early part of the coming session of the General Assembly. General Magruder agreed to work urgently on the matter but emphasized that it would be necessary for him to clear with the Joint Chiefs as well as his other colleagues. He, at first, stated that he thought it would be two weeks before any decision could be reached but finally agreed to come and see me on Friday, September 1, and said he hoped that we would be in such close agreement at that time that we would be able to progress speedily from then on. In parting I reemphasized that what we wanted was agreement on general principles and minimum conditions which should be included in a treaty and not agreement to a certain set of words which probably would have to be changed later as a result of negotiations with other countries. General Magruder was noncommittal about this but implied agreement.

Unless instructions to the contrary are received, I shall make no further attempt to see General Magruder until 11 a. m., September 1, when he has agreed to come to my office.

694.001/9-450

Memorandum by the Director of the Office of Northeast Asian Affairs (Allison) to the Secretary of State

TOP SECRET

[WASHINGTON,] September 4, 1950.

Subject: Japanese Peace Treaty

As indicated in my memorandum to the Secretary of August 29, General Magruder agreed to discuss with me further on September 1 the question of a Japanese peace treaty. As a result of the discussion on September 1,² practically complete agreement was achieved and it was decided that I would prepare a joint memorandum to the President from the Secretaries of State and Defense, setting forth their agreement as to the desirability of proceeding with negotiations for a Japanese treaty and outlining in general terms what such a treaty would include together with other points of agreement on general problems connected with the Japanese peace treaty.

There is attached hereto a draft of such a memorandum. Certain portions of this draft memorandum to the President, namely paragraphs 2c, d, f, h, and i, are taken verbatim from the memorandum of the Joint Chiefs of Staff to the Secretary of Defense on a proposed Japanese peace treaty, dated 22 August 1950. The general description of an acceptable treaty contained in Tab A is based on Mr. Dulles’

² No full memorandum or other summary of this discussion has been found in Department of State files.
memorandum of August 18 to Mr. Jessup on a Japanese peace treaty, with certain phrases added to meet points raised by General Magruder in our discussions. These points are found in paragraph 3 of Tab A where the words “or other satisfactory arrangements” were added with a view to making it possible for the United States to withdraw its forces should suitable Japanese defense forces come into being. The last sentence of paragraph 3 was also added in order to bring this paragraph more specifically in line with Defense criteria. In paragraph 6 of Tab A the phrase “with the exception of those arising out of the security arrangements” and the last sentence of the paragraph have been added to meet a point raised by General Magruder.

It is believed that this memorandum will receive the approval of the Joint Chiefs and it is hoped that it may receive prompt approval in the Department so that it may be sent formally to the Secretary of Defense as soon as possible. I am making an informal copy of this draft available to General Magruder with the understanding that it has not yet had approval in the Department, but that he may use it in an effort to expedite a decision as to its general acceptability.

During my discussion with General Magruder on September 1, he was accompanied by Colonel Stanton Babcock, who has just recently returned from Japan and who has from time to time been associated with the problems connected with a treaty in General MacArthur’s Headquarters. General Magruder stated that, if possible, the Department of Defense would like to have Colonel Babcock sit in on the preliminary negotiations contemplated in the attached memorandum. I strongly recommend that Colonel Babcock be invited to do so. He is a broad-gauge military officer with long experience in Japan both before and after the recent war. I have known him personally for the past 10 years and I am convinced of his ability and cooperative spirit. I believe it would be of real advantage to the State Department to have Colonel Babcock associated with the preliminary negotiations and that his presence would make possible expeditious handling of the various problems between our two Departments.

The only matter raised by General Magruder not specifically dealt with in the attached memorandum is his suggestion that the treaty be written in such a way as to make clear that the GARIOA obligation will not be eliminated. Both Colonel Babcock and I pointed out to the General that it would be inadvisable to have such a provision in the treaty as our effort to get other powers to agree to taking no

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2 Not printed. In the covering note Mr. Dulles had said: “At luncheon we considered the possibility of a textual discussion with the British Commonwealth group while at the same time giving others initially something less. I have drafted the annexed to illustrate what could be given to the others.” (611.841/8-1560)

3 The obligation of Japan to repay a portion of the advances made under the heading “Government Assistance and Relief in Occupied Areas.”
reparations from Japan would be made much easier if no specific demand for repayment of GARIOA expenses is made. In connection with the Department’s tentative belief that at least in the initial phases there should not be full “pay-as-you-go”, but that Japan should contribute at least a portion of the expenses of garrison forces, it should be possible to reach an agreement with the Defense Department whereby such contributions by Japan could be counted as an offset to the GARIOA expenditures. I believe there will be no real difficulty with this point and that it should not cause a delay in reaching a decision on the attached memorandum.

[Here follows the September 4 draft joint State–Defense memorandum to the President. It differs only in one sentence from the final draft of September 7, page 1293. The second sentence of numbered paragraph 4 originally read: “In carrying out these negotiations the Department of State will use as a guide the general description of an acceptable treaty as contained in Tab A.”]

Tab A

The United States proposes a treaty with Japan which would end the state of war, restore Japanese sovereignty and bring Japan back as an equal in the society of free peoples. The treaty would deal with the following specific topics:

2. Territory. Japan would (a) recognize the independence of Korea; (b) recognize the United States strategic trusteeship of the Marianas, Caroline and Marshall Islands; (c) accept the control by the United States of the Ryukyu Islands south of 29° north latitude, the Bonin Islands, including Rosario Island, the Volcano Islands, Paracel Vela and Marcus Islands; (d) renounce all claims to Formosa, Pescadores, South Sakhalin and the Kuriles and accept the future decision regarding their disposition of the Treaty Powers or the United Nations; (e) renounce all special rights and interests in China.
3. Security. The treaty would contemplate that, pending U.N. assumption of responsibility or other satisfactory arrangements, there would, at Japan’s request, be continuing cooperative responsibility between Japanese facilities and United States forces for the defense of Japan and maintenance of international peace and security in the Japan area. Forces of other Treaty Powers might also cooperate by agreement with the United States.
4. Political Clauses. Japan would be expected to adhere to multilateral treaties dealing with narcotics and fishing and bilateral treaties could be revived by mutual agreement. Pending the conclusion of new commercial treaties, Japan would extend most-favored-nation treatment, subject to normal exceptions.
5. Claims. All parties would waive war claims, except that (a) the Allied Powers would hold Japanese property within their territory,

*This document was not included with the final memorandum to the President.*
and (b) Japan would restore allied property or, if not restorable intact, provide yen to compensate for an agreed percentage of lost value.

6. Disputes. Treaty disputes, if any, with the exception of those arising out of the security arrangements, would be referred to the International Court of Justice. There could be special tribunals to deal with claims. Disputes arising as a result of the security provisions would be settled by Japan and those Treaty Powers maintaining forces in Japan, through the diplomatic channel.

694.001/9-750

The Secretary of State to the Secretary of Defense (Johnson)¹

TOP SECRET

[WASHINGTON,] September 7, 1950.

Dear Mr. Secretary: You will recall that on August 28 during our telephone conversation regarding a Japanese Peace Treaty you suggested, and I agreed, that a detailed discussion of this problem be taken up in the first instance by General Magruder and Mr. Allison. Such discussions have taken place and I am enclosing a memorandum prepared after consultation with General Magruder recommending to the President how we should proceed. I have signed this memorandum and if you agree with it will you please also sign and forward it to the President at the earliest possible opportunity. I am particularly anxious to get the President’s decision before I meet in New York next week with Foreign Ministers Bevin and Schuman. It will be appreciated if you will let me know when the memorandum has been sent forward.

Sincerely yours,

Dean Acheson

[Enclosure]

TOP SECRET

SEPTEMBER 7, 1950.

MEMORANDUM FOR THE PRESIDENT

The Secretaries of State and Defense have agreed on the following points with respect to a Peace Treaty with Japan.

¹In a memorandum of September 5, not printed, Mr. Allison had reviewed for Mr. Dulles those developments regarding a Japanese peace treaty which had occurred during the latter’s absence. Although Mr. Allison did not indicate the exact day of Mr. Dulles’ departure or return, he summarized events, and enclosed documents, of August 22 through September 4. (694.001/9-550)

In a memorandum of September 6 Mr. Battle had said in part: “Mr. Dulles called me this morning and asked if the Secretary concurred in the draft memorandum to the President. Mr. Dulles said that the only changes were one or two small verbal ones in the memorandum itself and the deletion of Tab A . . . I spoke to the Secretary about this and told him, what Mr. Dulles had told me, that the memorandum was generally cleared in the Department in FE [sic], with Mr. Matthews and with Mr. Dulles, and asked him if he agreed with the memorandum as drafted. The Secretary said that he did agree. . . .” (694.001/9-650)
1. The United States should now proceed with preliminary negotiations for a Japanese Peace Treaty.

2. In conducting these negotiations the following security requirements should be regarded as vital and any Treaty must take account of the following:

   a. The Treaty shall not become effective until such time as the interests of the United States dictate and in no event until after favorable resolution of the present United States military situation in Korea;
   b. In so far as possible in a Treaty there must be assurance that access to the natural, industrial and manpower resources of Japan shall be denied to the USSR;
   c. It must provide that initially Japan will be garrisoned by forces acceptable to the United States under a United States military command;
   d. It must provide that foreign forces unacceptable to the United States not be permitted in any of the Japanese islands to the southward of Sakhalin and the Kurile Islands;
   e. The security arrangements, while protecting the United States from being forced out of Japan without its consent, should also make it possible for the United States to withdraw its forces whenever satisfactory alternative security arrangements are concluded;
   f. It must not contain any prohibition, direct or implicit, now or in the future, of Japan's inalienable right to self-defense in case of external attack, and to possess the means to exercise that right;
   g. The Treaty must give the United States the right to maintain armed forces in Japan, wherever, for so long, and to such extent as it deems necessary. Questions regarding the relationship of the armed forces to the Japanese Government, the extent to which Japan will be required to contribute to the cost of maintaining those forces, and similar questions regarding the detailed implementation of the security arrangements will be the subject of a supplementary bilateral agreement between the United States and Japan to come into effect simultaneously with the coming into effect of the Treaty. The terms of this agreement will be worked out cooperatively by the State and Defense Departments;
   h. It must not disturb the United States strategic trusteeship over the Marianas, Caroline and Marshall Islands;
   i. Its terms must secure to the United States exclusive strategic control of the Ryukyu Islands south of latitude 29° north, Marcus Island, and the Nanpo Shoto south of Sofu Gan;
   j. There should be nothing in the Treaty which prohibits the United States garrison forces' acting at the request of the Japanese Government to put down large-scale internal riots and disturbances.

3. The Departments of State and Defense agree that provision must be made at an early date for Japan to begin to assume some of the burden of its own defense and in step with the Treaty negotiations the two Departments will consult and agree on measures to be taken to achieve the desired ends in a manner consistent with the overall political interests of the United States.
4. It is agreed that the Department of State should undertake confidential preliminary discussion through the diplomatic channel with friendly powers on the Far Eastern Commission with a view to ascertaining whether they would generally favor the type of Treaty desired by the United States and how they would propose to proceed. In carrying out these negotiations the Department of State will be guided by the security desiderata outlined in paragraph 2 above. If, during the course of discussion with friendly powers, the Department of State finds it helpful to submit the actual draft of a Treaty or portion thereof, it will be made clear that such draft is only suggestive and does not commit the United States Government with regard to the detailed content or language of the draft.

5. After the initial discussions with the friendly powers and at a time to be determined by the Secretary of State in consultation with the Secretary of Defense, a United States political representative will go to Japan to discuss confidentially with General MacArthur the proposed Treaty and by arrangements through and in cooperation with General MacArthur will discuss the proposed Treaty with the Japanese Government and also seek a procedure for Japanese participation in the Treaty-making process which will assure genuine acceptance by the representatives of all important non-Communist political groups in Japan.

6. During the course of the discussions envisioned in paragraph 4 above the Treaty should be discussed informally with members of the Senate Foreign Relations and Armed Services Committees.

7. After preliminary discussions have been completed in accordance with the above procedures the Departments of State and Defense will consult with a view to making detailed recommendations to the President and the National Security Council as to the next steps to be taken.

8. At an appropriate time to be determined by the Department of State a public announcement will be made designed to make clear the agreement of the United States Government on the necessity of proceeding with preparations for a Treaty and the fact that discussions

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*An unsigned paper of September 22 on Japan, part of a briefing series for high officers of the Department, read in part: “We are disposed to discuss the [Japanese peace settlement] situation with the Soviets at the GA if they are willing, although we expect to talk first with friendly members of the FEC.” (“Policy Record Guide,” 611.00/9–2250 Bulky)

*For President Truman’s statement released September 14, announcing the intention of the United States to initiate such discussions, see Department of State Bulletin, September 25, 1950, p. 518. For Mr. Truman’s news conference of the 14th, see Public Papers of the Presidents of the United States: Harry S. Truman, 1950 (Washington: Government Printing Office, 1965), pp. 637–640.

*In a memorandum of a conversation held September 13, Mr. Merchant stated that he, Mr. Dulles, and Jack K. McFall, Assistant Secretary of State for Congressional Relations, had discussed a Japanese peace treaty with Senator Tom Connolly of Texas, Chairman of the Senate Foreign Relations Committee, and Senators Walter George of Georgia and Alexander Wiley of Wisconsin, also of that Committee. Mr. Merchant reported in part that after a briefing by Mr. Dulles on the treaty, its security aspects, and the proposed plan of discussions with FEC powers, each of the three Senators individually stated his support of the general line and the planned procedure. “Mr. Dulles then pointed out the importance of making the Japanese believe that they are, in fact, full members of what they tend to regard as the ‘Club of the Western Nations.’ In this connection, he emphasized the importance of amending our immigration laws to remove the present discrimination against the Japanese as compared to the Indians and the Chinese.” (694.001/9–1350)
through the diplomatic channel are underway. The text of this announcement will be agreed with the Department of Defense.

It is recommended that the President give his approval to the above and that the Secretary of State immediately take the necessary steps to carry out these recommendations.5

DEAN ACHESON
Secretary of State

LJUJS JOHNSON
Secretary of Defense

5 The following is handwritten in the margin: "Approved Sept 8, 1950 Harry S Truman."

In a memorandum of September 8 to the NSC, James S. Lay, Jr., its Executive Secretary, stated in part that the President had approved the joint memorandum (now NSC 60/1) after it had been concurred in by the other members of the NSC and the Acting Secretary of the Treasury and that the President had directed the Secretary of State immediately to take the necessary steps to implement it. (Lot 63035: Folder "NSC 60 Memoranda")

694.001/9-1150

Unsigned Memorandum Prepared in the Department of State†

SECRET

WASHINGTON,] September 11, 1950.

There is given below a brief general statement of the type of Treaty envisioned by the United States Government as proper to end the state of war with Japan. It is stressed that this statement is only suggestive and tentative and does not commit the United States Government to the detailed content or wording of any future draft. It is expected that after there has been an opportunity to study this outline there will be a series of informal discussions designed to elaborate on it and make clear any points which may be obscure at first glance.

The United States proposes a treaty with Japan which would end the state of war, restore Japanese sovereignty and bring back Japan as an equal in the society of free peoples. As regards specific matters, the treaty would reflect the principles indicated below:

1. Parties. Any or all nations at war with Japan which are willing to make peace on the basis proposed and as may be agreed.

2. United Nations. Membership by Japan would be contemplated.

3. Territory. Japan would (a) recognize the independence of Korea; (b) agree to U.N. trusteeship, with the U.S. as administering authority, of the Ryukyu and Bonin Islands and (c) accept the future decision of the U.K., U.S.S.R., China and U.S. with reference to the status of Formosa, Pescadores, South Sakhalin and the Kuriles. In the event of no decision within a year after the treaty came into effect,

† This memorandum was prepared to be handed to representatives of the FEC powers during the series of informal bilateral discussions of a Japanese peace settlement, most of which were held in New York during the fall of 1950. On November 24 the Department of State released the memorandum to the press.
the U.N. General Assembly would decide. Special rights and interests in China would be renounced.

4. Security. The Treaty would contemplate that, pending satisfactory alternative security arrangements such as U.N. assumption of effective responsibility, there would be continuing cooperative responsibility between Japanese facilities and U.S. and perhaps other forces for the maintenance of international peace and security in the Japan area.

5. Political and Commercial Arrangements. Japan would agree to adhere to multilateral treaties dealing with narcotics and fishing. Prewar bilateral treaties could be revived by mutual agreement. Pending the conclusion of new commercial treaties, Japan would extend most-favored-nation treatment, subject to normal exceptions.

6. Claims. All parties would waive claims arising out of war acts prior to September 2, 1945, except that (a) the Allied Powers would, in general, hold Japanese property within their territory and (b) Japan would restore allied property or, if not restorable intact, provide yen to compensate for an agreed percentage of lost value.

7. Disputes. Claims disputes would be settled by a special neutral tribunal to be set up by the President of the International Court of Justice. Other disputes would be referred either to diplomatic settlement, or to the International Court of Justice.

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Tokyo Post Files: 320.1 Peace Treaty

Draft of a Peace Treaty With Japan

SECRET

[WASHINGTON,] September 11, 1950.

PREAMBLE

, hereinafter called the Allied and Associated Powers, and Japan, are resolved that henceforth their relations shall be those of nations which, as sovereign equals, cooperate in friendly association to promote their common welfare and to maintain international peace and security.

Accordingly they have concluded this treaty.

CHAPTER I

PEACE

1. The state of war between the Allied and Associated Powers and Japan is ended.

CHAPTER II

SOVEREIGNTY

2. The Allied and Associated Powers accept the full sovereignty of the Japanese people, and their freely chosen representatives, over Japan and its territorial waters in accordance with and subject to the provisions hereof.
Chapter III

United Nations

3. Japan will promptly apply for membership in the United Nations and the Allied and Associated Powers which are Members of the United Nations will support that application.

Chapter IV

Territory

4. Japan recognizes the independence of Korea and will base its relation with Korea on the resolutions of the United Nations General Assembly and Security Council with respect to Korea.

5. Japan accepts whatever decision may hereafter be agreed upon by the United Kingdom, the Soviet Union, China, and the United States with reference to the future status of Formosa, the Pescadores, Sakhalin south of 50° north latitude and the Kurile Islands. In the event of failure in any case to agree within one year from the effective date of this treaty, the parties to this Treaty will seek and accept the recommendation of the United Nations General Assembly.

6. Japan accepts the action of the United Nations Security Council of April 2, 1947 extending the trusteeship system, with the United States as the administering authority, to the Pacific Islands formerly under mandate to Japan. The United States will also propose to the United Nations to place under its trusteeship system, with the United States as the administering authority, the Ryukyu Islands south of 29° north latitude, the Bonin Islands, including Rosario Island, the Volcano Islands, Parece Vela and Marcus Island, and pending affirmative action on such proposal the United States will have full powers of administration, legislation, and jurisdiction over the territory of these islands.

Chapter V

Security

7. As a prospective member of the United Nations, Japan accepts in advance the obligations to act in accordance with the principles of Article 2 of the Charter of the United Nations for the maintenance of international peace and security, and the other Parties as members of the United Nations undertake reciprocally to be guided by those same principles in their relations to Japan.

8. In order further to contribute to the establishment and maintenance in the Japan area of conditions conducive to international peace and security in accordance with the principles of the Charter of the United Nations, and having regard for the fact that irresponsible militarism is not yet ended in the world, and subject to the transfer of responsibility to the United Nations or otherwise under the condi-
tions foreseen in Article 10, Japan requests and the United States agrees that it will provide such armed forces on behalf of the Treaty Powers, and the Japanese Government on its part shall provide such assistance and facilities, including rights of passage, as may from time to time be determined by the United States in consultation with the Japanese Government. The Treaty Powers other than the United States that are willing to contribute to such forces for the above purposes may do so by agreement with the United States. The forces furnished by the United States or other Treaty Powers shall not have any responsibility or authority to intervene in the internal affairs of Japan, or, without the request of the Japanese Government, to deal with internal violence except in their own defense.

9. During the period this Chapter is in effect, Japan will not permit another Power to have military facilities in Japan except in accordance with the provisions of this Chapter.

10. The provisions of this Chapter shall remain in effect until the coming into force of such United Nations arrangements or such alternative security arrangements as in the opinion of those Treaty Powers providing forces under the terms of Article 8 above will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan area.

11. Any dispute between the Government of Japan and any other government providing armed forces pursuant to this Chapter concerning the interpretation or execution of this Chapter shall be settled by the governments concerned through diplomatic channels.

CHAPTER VI

POLITICAL AND ECONOMIC CLAUSES

12. Japan declares its intention to secure to all persons under Japanese jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religion, of political opinion and of public meeting.

13. Japan will continue to be a party, or if not now a party will seek adherence, to the multilateral treaties and conventions designed to prevent the misuse of narcotics and to conserve fish and wildlife.

14. Pre-war bilateral treaties between Japan and any of the Allied and Associated Powers may be kept in force or revived upon mutual agreement of the two parties within six months.

15. Japan renounces all special rights or interests in China.

16. The power to grant clemency, reduce sentences, parole and pardon with respect to the sentences imposed by military tribunals of the Allied and Associated Powers on persons who are incarcerated in Japan may be exercised jointly by Japan and the Government or
Governments which imposed the sentence in each instance. In the case of the persons sentenced by the International Military Tribunal for the Far East, such power may be exercised jointly by Japan and a majority of the Governments represented on the Tribunal.

17. a) Japan declares its readiness promptly to conclude with each of the Allied and Associated Powers treaties to put on a stable and friendly basis the commercial and trading relations between them. In the meantime the Government of Japan will, during a period of three years from the coming into force of the present Treaty, accord most-favored-nation treatment to each of the Allied and Associated Powers with respect to customs duties, charges and all other regulations imposed on or in connection with the importation and exportation of goods, and will accord national treatment or most-favored-nation treatment, whichever is more favorable, with respect to the vessels, nationals and companies of the Allied and Associated Powers and their property, interests and business activities within Japan. In respect of any of the above matters the Government of Japan may withhold from any Allied and Associated Power the application of more favorable treatment than such Power, subject to the exceptions customarily included in its commercial agreements, is prepared to accord Japan in that respect.

(b) Notwithstanding the provisions of paragraph (a) of this Article, the Government of Japan will be entitled to apply measures dictated by its balance-of-payments position or by its essential security requirements, and to reserve the exceptions customarily contained in commercial agreements.

Chapter VII
Claims Arising Out of the War

18. Except as in this Treaty otherwise provided, the Allied and Associated Powers and Japan reciprocally waive claims against each other for acts taken during the state of war hereby ended, prior to September 2, 1945. Japan declares its readiness to enter into similar reciprocal undertakings with nations which broke off diplomatic relations with Japan.

19. Japan waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied and Associated Powers in Japanese territory prior to the coming into force of the present Treaty.

20. Each of the Allied and Associated Powers will have the right to retain and dispose of all Japanese property, rights and interests within its territory at any time between December 7, 1941, and the coming into force of the present treaty, except (1) property of Japanese nationals permitted to reside in the territory of one of the Allied and Associated Powers, except property subjected to special measures
prior to September 2, 1945; (2) tangible diplomatic or consular property, net of any expenses incident to its preservation; (3) property of non-political religious, charitable, cultural or educational institutions; (4) property located in Japan, despite the presence elsewhere of paper or similar evidence of right, title or interest in such property, or any debt claim with respect thereto; and (5) trade-marks identifying products originating in Japan.

21. (a) Japan will restore, upon demand, within six months from the effective date of this treaty, the property, tangible and intangible, and all rights or interests of any kind in property, in Japan of the Allied and Associated Powers and their nationals, unless the owner has freely disposed of his property without duress or fraud, and, to the extent that such property and interests, whether or not taken under the control of the Japanese Government, has been lost or damaged as a result of the war, will make compensation in yen equal to ______% of the amount necessary at the time of payment (1) to purchase similar property, or (2) to restore the property to its condition on December 7, 1941. Compensation shall not be made to persons whose activities and property were not subjected to special Japanese wartime restrictions applicable to Allied nationals generally. Claims of each of the Allied and Associated Powers and its nationals for compensation will be presented by its Government to the Japanese Government within eighteen months from the effective date of this treaty.

(b) If agreement on compensation is not reached within six months after the filing of a claim, either of the governments concerned may refer the matter to the Arbitral Tribunal provided for in Article 22 of this treaty.

(c) For the purposes of this article rights or interests in property shall include directly and indirectly held ownership interests in juridical entities which are not nationals of an Allied or Associated Powers, but which have suffered loss of or damage to property in Japan as a result of the war. Compensation with respect to such loss or damage shall bear the same proportion to compensation payable to an owner under subparagraph (a) as the beneficial interests of such nationals in the corporation or association bear to the total capital thereof.

22. (a) Any dispute between any of the Allied and Associated Powers which may arise in giving effect to the provisions of this Chapter and which is not settled through the diplomatic channel or otherwise may be referred by any Government party to the dispute to an Arbitral Tribunal, consisting of three jurists to be designated by the President of the International Court of Justice on request of the depository government made within three months from the effective date of this treaty. The designations shall be made from nationals of countries which were neutral in World War II. Vacancies on the
Tribunal will similarly be filled by designation by the President of the International Court of Justice upon request of the depository government. Decisions of the Tribunal shall be by majority vote and shall be final and binding.

(b) The salaries of the members of the Arbitral Tribunal shall be fixed by the President of the International Court of Justice, in consultation with the Government of Japan. The Government of Japan shall pay the costs and expenses of the proceedings, including salaries of members and employees of the Tribunal, but not including costs incurred by other governments in the preparation and presentation of cases.

(c) The authority of the Tribunal, and the terms of office of its members, shall terminate at the expiration of ten years from the effective date of the present Treaty, unless Japan and a majority of the Allied and Associated Powers agree to fix an earlier or later termination date.

CHAPTER VIII

SETTLEMENT OF DISPUTES

23. (a) Except as otherwise provided in this Treaty, any dispute between the Government of an Allied and Associated Power and the Government of Japan concerning the interpretation or execution of the present Treaty, which is not settled through diplomatic channels shall, at the request of a Party to the dispute, and without special agreement, be referred for decision to the International Court of Justice.

(b) Japan and those Allied and Associated Powers which are not already parties to the Statute of the International Court of Justice, will deposit with the Registrar of the International Court of Justice, on the date of the deposit of their ratification of the present Treaty, a general declaration accepting the jurisdiction, without special agreement, of the Court generally in respect of all disputes of the character referred to in paragraph (a) of this Article.

CHAPTER IX

EFFECTIVENESS

24. The present Treaty shall come into force between Japan and the Allied and Associated Powers which have ratified the Treaty, when ratifications by ______________ shall have been deposited with ____________.

25. Any state which is at war or in a state of belligerency with Japan and is not a signatory to the present Treaty may adhere to the
Treaty after it comes into force by depositing an instrument of adherence with ___________, and, upon adherence, shall be deemed, for the purposes of the present Treaty, to be one of the Allied and Associated Powers.

26. Except for the provisions of Articles 15 and 18, the present Treaty shall not confer any rights and benefits upon any state which shall not have executed and ratified or adhered to the present Treaty.

Lot 56D527

The Deputy Director of the Office of Northeast Asian Affairs (Johnson) to the Acting United States Political Adviser for Japan (Sebald)

TOP SECRET

[WASHINGTON,] September 14, 1950.

DEAR BILL: A telegram¹ has just gone out to you quoting the text of an announcement to be made by the President in a couple of hours regarding a Japanese peace treaty.² I am sorry that we could not inform you of the announcement earlier but word that the President had approved and planned to make the statement today was only just received.

As pointed out in the telegram, the announcement is being made pursuant to a joint memorandum from the Secretaries of State and Defense, copy enclosed, approved by the President on September 8. This memorandum is the product of a series of exchanges during the last few weeks with Defense which finally brought the two Departments together on a security formula patterned on a memorandum furnished Mr. Dulles and Secretary Johnson by General MacArthur last June. With the security provisions agreed, the Defense Department withdrew its objection to our initiating treaty discussions with the friendly Allies, but insisted that a treaty not become effective until the Korean war had been brought to a favorable conclusion. Since it will probably be over a year before a treaty can be negotiated and ratified the Department was willing to accept this condition. The Secretary will discuss the matter briefly with Messrs. Bevin and Schuman³ during the current Foreign Ministers Conference, and Mr. Dulles and John Allison will hold a series of meetings in New York during the coming weeks with representatives of all the FEC nations except the U.S.S.R. to exchange views on the procedures and the substance of a treaty.

¹ Not printed.
² See footnote 3 to the joint State—Defense memorandum of September 7, p. 1295.
³ Robert Schuman, Minister of Foreign Affairs of France.
Also enclosed is a copy of the Department’s latest treaty draft.\textsuperscript{4} It was Mr. Dulles’ view on studying the August 3 draft,\textsuperscript{5} a copy of which was left with you by Mr. Harriman, that the draft contained a considerable amount of technical material which was not essential and tended to reduce its value as a political instrument. He accordingly personally prepared another draft, taken for the most part from the August 3 draft but reduced to eight double space pages without any annexes. This draft has subsequently become somewhat longer through the reintroduction in condensed form of material which the legal and economic offices and NA have felt essential for a reasonably precise and comprehensive treaty, but the process has not been permitted to go so far as to compromise the document’s desired very brief and general character. The fact that the discussions with other nations will probably result in the addition of further material has been considered an additional reason for starting out with the shortest draft possible.

The main substantive change from the earlier draft has been the deletion of the requirement that Japan preserve the essentials of the reform programs. The principal reason for this change has been Mr. Dulles’ reluctance to include any obligations in the treaty which are not clear and readily enforceable or which, outside of the security field, would constitute an infringement of sovereignty. It is possible that the best means of ensuring Japan’s continuation on a democratic course will be one of the matters discussed with Japanese political leaders during the trip to Japan, envisaged in paragraph 5 of the joint memorandum, of a United States political representative.

You will notice that the joint memorandum has been drafted in brutally frank terms, a concession to the military’s desire to avoid any possibility of future misunderstanding within the U.S. Government as to the terms of the agreement reached. Public disclosure of a document so phrased could be disastrous for the whole treaty project. It is therefore requested that the memorandum be kept under closest security and no copies whatever be made thereof. It is understood that a copy has been provided General MacArthur by the Defense Department.

Sincerely yours,

U. Alexis Johnson

\textsuperscript{4} Supra.
\textsuperscript{5} See footnote 2 to the memorandum of August 9 from Mr. Dulles, p. 1267.
Memorandum by Mr. Douglas W. Overton of the Office of Northeast Asian Affairs to the Deputy Director (Johnson)

SECRET

[WASHINGTON,] September 15, 1950.

Subject: Tokyo’s Despatch No. 326, August 25, 1950 ¹

In this despatch Sebold and Spinks ² review the entire history of Japan’s disarmament and Japanese public opinion on the subject. Their opinion is that notwithstanding official denials and public confusion on the issue, there exists in Japan a large body of opinion which, in the light of the Korean conflict, would be in favor of establishing a Japan defense force.³

Their own conclusion, based on careful consideration of all the factors involved—the change in the world situation, the immediate threats of Communist aggression, the heavy burden placed upon the United States in preserving the peace, and the acknowledged risks involved in entrusting Japan with an armed force, is that Japan must be partially rearmed. This view is shared not only by a large number of Japanese but also by others, including General MacArthur, General Eichelberger,⁴ Walter Lippmann, and William Courtenay.

Observing that events in Korea have invalidated the entire premise of our policy of disarming and demilitarizing Japan, they believe that only by the political application of military power can Japan’s security be safeguarded, for the USSR cannot be trusted to abide by any guarantee she might give with respect to Japan’s security even if such a guarantee could be negotiated. This leaves two alternatives: either the US assumes the full burden of defending Japan or it must enlist Japan’s assistance in helping to provide such defense. The latter alternative is by far the better, it is more effective from the point of view of morale and it provides a large source of intelligent and courageous manpower with its own supporting industrial complex.

¹Not printed.
²Charles N. Spinks, First Secretary in the Mission at Tokyo.
³In the despatch mentioned Mr. Sebold had said in part: “It is believed that the Japanese are fully aware of the military implications already evident in the new Police Reserve. No serious concern has been expressed except as to the degree to which the Police Reserve will operate as an armed force. It is universally recognized that Japan needs a security force of some kind over and above the present police system. The Korean conflict has left no doubt that a nation without adequate defense is doomed and has destroyed the vision of Japan’s permanent neutrality.”
As for the nature of the armed forces which must be developed, the
two officers recommend that consideration be given to expanding the
new Police Reserve into a highly mobile ground force trained specially
to meet amphibious and air assaults, to creating an armed coast guard
to supplement the Maritime Safety Patrol, and to establishing event-
tually a limited air force of fighter units.

They believe that Japan’s rearmament should be designed to make
maximum use of Japan’s large manpower reserve and thereby supple-
ment the heavier ground, naval, and air components which the US
and UN could furnish in the event of an attack.

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Editorial Note

On September 21, 1950, the FEC adopted a policy decision restoring
to Japanese courts (at the discretion of SCAP) the exercise of crimi-
nal jurisdiction over United Nations nationals with exception of occu-
pation forces and related categories. Text of the policy decision and
of the draft directive which resulted from it are attached to a letter
of September 21 from Nelson T. Johnson, Secretary-General of the
FEC, to Mr. Webb, Acting Secretary. (None printed; 690.00–FEC/
9–2150)

The United States had initiated this action. In telegram 66 to Can-
berra, September 15, the Department had stated in part: “In view
Korean crisis US considers approval of this paper as matter urgency
in order to reduce burden on occupation forces in Japan.” (690.00–
FEC/9–1550)

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694.001/9–2250

Memorandum of Conversation, by Colonel Stanton Babcock of the
Department of Defense

SECRET


Subject: Japanese Peace Treaty

Participants: Mr. Dening—Chief, Far East Division, Foreign Office
Mr. Tomlinson—Far East Division, Foreign Office
Mr. Graves—British Embassy, Washington
Mr. Dulles
Mr. Allison
Colonel Babcock

1. Mr. Dulles handed the British a short memorandum outlining
the tentative views of the United States with respect to a Japanese

* Presumably the 7-point memorandum of September 11, p. 1296.
Treaty. He then talked at some length on our desire for a truly liberal treaty that would restore Japan fully to the family of nations, contain no political, economic, or military restrictive clauses and give the Japanese every encouragement to adhere to the free world and remain opposed to the Communist bloc.

2. Mr. Dening gave no direct indication of the British attitude but pointed out that certain of the Dominions would object to the U.S. attitude regarding no demilitarization provisions. He said that he would take our paper back to London, discuss it there and communicate the British views to their Embassy in Washington.

3. Some concern was expressed by the British, after learning that ratification of the treaty by the U.S. might be postponed a year or eighteen months, lest SCAP accelerate his current "decontrol program" and leave the Allies with nothing left to do but ratify a "fait accompli". In particular they seemed worried lest Japanese diplomatic missions be allowed to go abroad.

4. Mr. Tomlinson asked whether the U.S. memorandum was "exhaustive" and, on being told that it was, indicated Britain's concern over Japan's re-emergence as a commercial power by saying that provisions should be included in the treaty which would "reduce Japan's impact on the commercial relations existing in the Far East."

5. There appeared to be no opposition to the U.S. position in regard to security in the Pacific and Far East other than a natural tendency to sympathize with the concern of Australia and New Zealand.

6. At the conclusion of the meeting the U.S. group was handed a copy of some notes regarding the Japanese Treaty which were made during the Commonwealth Conference in May 1950.

C. S. B[ABCOCK]

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2 These notes have not been found in Department of State files. A copy of the "Report" of the Commonwealth Working Party on a Japanese Peace Treaty, London, May 17, 1950, was transmitted by the British Embassy in Washington to the Department on September 20, 1950. (Lot 54D423)

The section concerning preliminary talks with FEO powers in a briefing memorandum prepared for the use of President Truman at the Wake Island Conference held October 14 read in part: "... Mr. Dulles and Mr. Allison have held preliminary talks ... with representatives of the United Kingdom, Australia, Philippines, and India, and Mr. Allison has had working level conversations with Pakistan and Canada.

"All of the talks have been of a very preliminary and tentative nature and none of the countries has thus far indicated much concern or sense of urgency over the early conclusion of a peace treaty.

"In general, the reactions of the United Kingdom appear to be the most favorable and closely aligned to the United States views ... .

"No reactions of any kind have yet been received from India.

"No firm trends of opinion with regard to the procedural problems have yet emerged."

Another portion of this memorandum is quoted in the editorial note under date of September 22, infra.
Editorial Note

On September 22, in New York, Mr. Dulles and other United States officials discussed a Japanese peace settlement with Mr. Percy Spender, Minister of External Affairs and External Territories of Australia. No full memorandum of this conversation has been found, nor is it listed in the section headed “Conversations with FEC Nations” in an undated, unsigned document titled “Major Papers Regarding Japanese Peace Treaty and Pacific Pact.” (694.001/1–1651) This document covers the period July 20, 1950, through January 13, 1951.

In a briefing paper on the Japanese peace settlement, prepared for President Truman’s use at the Wake Island Conference of October 14, the following paragraph is part of a section devoted to the results of preliminary talks with FEC powers:

“Australia has indicated that it would be politically impossible for any Australian Government to enter into a ‘liberal’ Japanese peace treaty without firm guarantees against Japanese aggression. Although there is reason to think that there are differences of view between Prime Minister Menzies and Minister of External Affairs Spender on the point, the latter has expressed the intent of his Government to hold out for a Pacific Pact as the price for a liberal treaty with Japan.” (795.00/10–1250)

In his memoir, Sir Percy states in part that at the September 22 conversation he was shown the seven-point memorandum (of September 11, page 1296), and then told Mr. Dulles “... Australia would not, under any circumstances, accept such a treaty.” For his full account, see Sir Percy Spender, Exercises in Diplomacy (New York, New York University Press, 1969), pages 44–48.

For conversations held between American and Australian officials with regard to a Pacific Pact, see pages 1 ff. For certain other conversations in which that subject is mentioned, see pages 189 ff.

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694.001/9–2750

Memorandum of Conversation, by Colonel Stanton Babcock of the Department of Defense

SECRET

[NEW YORK,] September 27, 1950.

Subject: Preliminary consideration of Japanese Peace Treaty

Participants: General Carlos P. Romulo, Philippine Delegation ¹
Mr. Dulles, USA Delegation
Mr. Allison
Colonel Babcock

¹ General Romulo was Foreign Minister of the Philippines as well as Chief of the Philippine Delegation to the United Nations.
1. Mr. Dulles opened the discussion by explaining to General Romulo the philosophy underlying the United States attitude towards a Treaty of Peace with Japan. He emphasized the need for genuine and wholehearted support on the part of Japan and its people for the ideals and concepts endorsed by the free peoples of the world. He pointed out that the United States and its Pacific friends have not the power to continue indefinitely to exert the necessary force to keep Japan restrained under the terms of a punitive or restrictive treaty. Our aim, therefore, must be to take a calculated risk and produce such a treaty as will encourage Japan of her own free will to cast her lot with us and not seek revenge through association with the Communist bloc.

2. General Romulo emphasized certain points during his remarks:

a. That the Treaty should be a multilateral one to include all Far Eastern Commission nations that are willing to come to an agreement with respect to a Treaty, and not a series of bilateral treaties with Japan.

b. That all agreements should be a two-thirds majority vote with no veto.

c. That the United States give due consideration to the reasonable claims of other states (reparations) and proper weight to their fears of Japanese aggression.

d. That the work already accomplished by the Far Eastern Commission in regard to the democratization of Japan, etc. be carried forward, in so far as possible, by the terms of the Treaty. (See General Romulo’s “Memorandum on the Japanese Treaty” attached.)

3. During later discussion of the security points, which seemed uppermost in Romulo’s mind, it was pointed out that the security of the Philippines rested primarily on the willingness of the United States to stand by a long-time friend, on the presence of American forces in Japan and on the fact that it was militarily infeasible for Japan to commit an act of aggression against the Philippines without jeopardizing the security interests of the United States. On the other hand a restrictive treaty would be effective only so long as the victorious powers were willing to provide sufficient force to enforce it and would have the additional disadvantage of producing in Japan a body of opinion which would have as its primary aim the eradication of those restrictive provisions.

4. Towards the end of the conversations Romulo seemed to concede that there was some merit to the above point of view, but made it clear that serious difficulties would be encountered in convincing the Philippine Government and people.
Confidential

Memorandum on the Japanese Peace Treaty

I. There are three alternatives:

a. A multilateral treaty between Japan and all the victorious Powers, including the USSR.

b. A multilateral treaty between Japan and the victorious Powers who agree to such a treaty, and therefore most likely to exclude the USSR.

c. A series of bilateral treaties between Japan and each of the victorious Powers.

From an overall point of view, considering the present world situation, the first of these alternatives must be ruled out. We want to conclude a peace treaty as speedily as possible, and the presence of the USSR at this time would almost certainly prolong, delay and exacerbate the negotiations.

Our choice is therefore between the two latter alternatives.

II. The Philippine position:

The conclusion of any treaty is a supreme act of sovereignty. The conclusion of a peace treaty on the part of a victorious Power is doubly so, for the reason that the State sovereignty which was threatened and has emerged triumphant by force of arms would have the duty and opportunity to ensure its survival and possible advantage vis-à-vis the defeated State.

Let us consider, first, the proposal for a series of bilateral treaties. The proposal is open to several objections, from the Philippine point of view:

1. The objection that the Philippines, being of itself a smaller and weaker nation than Japan, would suffer a certain disadvantage in the course of the negotiations. This disadvantage would be magnified by the feeling which has developed among the Japanese that they have the support of the United States in many of their objectives of industrial and economic revival and even of potential military rebirth.

2. There would arise the possibility of each victorious Power securing the best terms it could get from Japan to the probable detriment of the other Powers. A certain spirit of rivalry and competition among the victorious Powers might ensue, and thus unduly strengthen the hand of Japan during the separate negotiations.

3. The separate Powers, especially the smaller ones, would find it harder to compel observance of the individual treaties by their own separate means instead of by their combined forces.

Therefore, the Philippines must support the proposal to conclude a multilateral treaty between Japan and the victorious Powers that are
ready to come to agreement, which is to say, all the members of the
Far Eastern Commission, with the exception of the USSR.

III. Points to be previously agreed upon:

1. There should be no veto, and all agreements should be by a two-
thirds majority of all the participating States.

2. That the United States give a pledge to give due consideration
to the reasonable claims of the other States, and the proper weight
to their natural apprehensions arising from the re-emergence of Japan
as an industrial and military power in the region.

3. That the Peace Conference carry forward as much as possible
the important work that has been accomplished by the Far Eastern
Commission, in particular, its policy decisions on the democratization
of Japanese institutions, the break-up of the great monopolies, and
the strict limitation of its industrial war potential.

IV. The Philippine Government reiterates its invitation to hold
the Peace Conference in Baguio City, Philippines.

654.001/10-250

The Acting United States Political Adviser for Japan (Sebold) to
the Director of the Office of Northeast Asian Affairs (Allison)

PERSONAL AND SECRET

TOkyo, October 2, 1950.

Dear John: I have waited in replying to your letter of September 16,
1950, until an opportunity might present itself for me informally to
discuss the Treaty part of your letter with General MacArthur. I
called on the General today and raised a number of questions with
him regarding the general problem of consultation with the Japanese
on the question of the Treaty.

First of all, I asked the General regarding his views as to who
would be the best person or persons to come to Japan to discuss the
Treaty, presumably in a general way, with the Japanese. Without hesi-
tation the General said that he thought Mr. Dulles should come accom-
panied by you, as you and Mr. Dulles are fully conversant with the
entire problem and already have the confidence of the Japanese as
well as of General MacArthur and his Headquarters. I entirely agree
with the General's views, and also feel that the preliminary approach
and discussions are so important that we should have the best talent
available for this purpose. In this connection, when I mentioned Dean
Rusk's name as an alternative, the General thought not, as, in so far
as the Japanese are concerned, his name has been connected with the
Peace Treaty only in a peripheral manner and, in consequence, a great
deal of ice-breaking would be necessary before the Japanese would
accept him as an individual with whom they could speak frankly.

On the question of approach to the Japanese, I pointed out to the
General various choices, such as limiting the Japanese side to Prime

1 Not found in State Department files.
Minister (and Foreign Minister) Yoshida and such governmental people whom he might select, or, alternatively, dealing with the Prime Minister, leaders of his party, and leaders of the other major (opposition) parties. General MacArthur immediately said that he thought it would be a mistake to attempt to discuss the Treaty with political party leaders, firstly, because there could be no such thing as discussions on a confidential basis; secondly, because Yoshida, as leader of the Liberal Party, would strenuously object; and thirdly, because the opposition party leaders would seize upon the conversations for use as ammunition to embarrass the Government. General MacArthur said that he thought the best method to follow would be to have a first meeting on an informal basis in his office with the Prime Minister. At that meeting subsequent methods of approach would without doubt suggest themselves, and further lines of action could be taken up from there.

In any event, General MacArthur is of the opinion that if you and Mr. Dulles come to Japan, the announced purpose of your visit should be to discuss Peace Treaty matters with General MacArthur and me. He feels that the purpose of discussing the Treaty with the Japanese should not be made public or even suggested, and that such discussions should evolve as a natural course of events after your arrival here.

I fully agree with the General’s views as indicated above.

On the question of Japanese participation in the Peace Conference itself, I told the General that my tentative recommendation to you would be that an effort should be made to have the Japanese Delegation invited to attend the Conference in the capacity of “observers”—to gain their entrance to the Conference—and that it should be understood that the Japanese will be given ample opportunity to present their views and observations on any subject germane to the Treaty negotiations. They would not, of course, be entitled to negotiate in the strict sense of the word, nor would they at any time be entitled to a vote. General MacArthur said that he agreed entirely with this concept, except that he foresaw considerable difficulty in gaining admittance for the Japanese to the Conference during the negotiating stage. He felt, however, that any workable formula should be evolved to gain admittance for the Japanese as a delegation.

On the question of whether any of our Allies should be consulted in Tokyo at such time as you and Mr. Dulles approach the Japanese, the General said that he felt, and I agree, that your discussions should be unilateral and carried out on behalf of the United States alone. It is my view that by the time you are ready to come to Japan, you will have fully ascertained the attitudes of the various FEC nations, and will know what particularly difficult obstacles must be overcome. Further consultation would therefore appear to be unnecessary.
I hope it will be possible for you to keep me informed concerning your progress in your preliminary approaches to various Allied Governments. I note a headline in the Nippon Times of today reading "U.S. Officials Hit Snags in Parleys on Japanese Treaty". I hope the snags are not too troublesome.

Please give my best regards to Mr. Dulles, to whom you may wish to show this letter.

Sincerely yours,

W. J. Sebald

794C.00/10-450

Memorandum Approved by the Joint Chiefs of Staff

CONFIDENTIAL  WASHINGTON, October 4, 1950.
JCS 1231/14

DIRECTIVE FOR UNITED STATES CIVIL ADMINISTRATION OF THE
RYUKYU ISLANDS 2

PREAMBLE

As a result of the terms of surrender of the Empire of Japan, and the principles of international law governing the rights and duties of the occupying powers, the Government of the United States is responsible for the civil administration of the Ryukyu Islands, south of latitude 29 degrees north.

This directive is issued without prejudice to the rights and duties of the United States as an occupying power until such time as the ultimate international status of the islands is determined.

It is the policy of the United States to retain the Ryukyu Islands on a long-term basis by reason of their importance to the security of the United States, to develop and maintain military facilities on the islands, and to conduct the civil administration of the islands so as to foster the economic and social well-being of the civil population subject to the necessity for military security.

A. Responsibility:

1. The United States is responsible for the civil administration of the Ryukyu Islands south of latitude 29 degrees north. This respon-

2 This document, and accompanying memoranda, not printed, were obtained from the Department of Defense. Copies are filed under the number given here.

The initial draft was prepared by the Department of the Army for the purpose of bringing existing military government directives for the Ryukyu Islands into conformity with paragraph 5 of NSC 13/3 (Foreign Relations, 1949, vol. vii, Part 2, p. 731). When submitted to the Joint Chiefs of Staff on September 9, 1950, the draft directive had received the informal concurrence of the Department of State, although two changes suggested by the Department had not been incorporated. One of these, involving the avoidance of the title "Military Governor," was among the amendments adopted by the Joint Chiefs of Staff before approving the directive on October 4, 1950. JCS 1231/14 was forwarded to the Commander in Chief, Far East (MacArthur) on October 11, 1950.
sibility will be executed pursuant to this directive and other instructions from the United States Government. The government of this area by the United States will be termed "United States Civil Administration of the Ryukyu Islands".

2. This responsibility is delegated to the Commander in Chief, Far East, who is hereby appointed Governor of the Ryukyu Islands and who is authorized to appoint a subordinate official who will be known as the Deputy Governor of the Ryukyu Islands. The Deputy Governor will be a member of the armed forces and he may also be Commanding General, Ryukyu Command (RYCOM). The Governor (Commander in Chief, Far East) will issue to the Deputy Governor appropriate instructions consistent with this and subsequent directives and is authorized to delegate to the Deputy Governor such authority as he desires except the authority to appoint judges of the court of last resort.

B. Objectives:

3. The United States Civil Administration will, subject to the requirements of military security, further

a. The establishment of a standard of living in the Ryukyu Islands comparable to that existing prior to the war to the extent that GARIOA* funds are available. However, improvement in the standard of living above that existing prior to the war will be accomplished through the efforts of the Ryukyuans themselves, without the assistance of U.S. appropriated funds. To the extent that health standards are now at levels above the pre-war standards and such continued level is necessary for the health of United States personnel stationed in the Ryukyus, a higher level in this respect is authorized with available GARIOA funds for necessary imported materials.

b. The establishment of a sound government financial structure, including a budget and taxation system designed to permit the placing of the government on a self-supporting basis by the end of fiscal year 1952. This does not preclude a request for a GARIOA appropriation to make up any deficit in the external balance of payments in 1953.

c. Self-government through legislative, executive and judicial organs established in accordance with democratic principles, subject to the final authority of the Governor.

d. Cultural and educational development with due regard to the existing culture of the inhabitants.

C. Civil Administration:

4. At the earliest practicable date provision will be made for the establishment under democratic processes by the inhabitants of the Ryukyus of the following governmental structure, which shall be subject to general supervision of the United States Civil Administration:

a. Responsible government at the municipal level.

b. Responsible government at the provincial level, if desired.

*Government and Relief in Occupied Areas. [Footnote in the source text.]
c. Responsible central government. Pending the establishment of a central government a Ryukyuan Advisory Council may be established to make recommendations on questions referred to it by the United States Civil Administration.

5. Courts established in accordance with paragraphs 3 and 4 above will include civil and criminal courts and appellate tribunals with clear delineation of their jurisdiction and procedures. The jurisdiction of these courts will include the adjudication of controversies involving title to real estate and will further include condemnation proceedings. Subject to such regulations as may be prescribed by the Governor such courts will have civil jurisdiction over all persons in the Ryukyu Islands, and will have criminal jurisdiction over other than nationals of the United Nations. Such criminal jurisdiction may be extended at the discretion of the Governor to include all persons other than members of the occupation forces, persons serving with the occupation forces, and their dependents.

6. In addition, the Governor will establish a court of last resort having authority to review decisions of the aforementioned courts. Judges of this court will be appointed by and serve at the pleasure of the Governor. The Governor will prescribe necessary codes of procedure. The Governor will have the authority in his discretion to review, approve, remand, suspend, commute, remit or otherwise to modify or set aside any decision, judgment or sentence of such court established. The Governor shall have the power of pardon.

7. The Ryukyuan people will be guaranteed, as far as is consistent with the military occupation, the basic liberties of democratic countries, including freedom of speech, assembly, petition, religion and the press; and security from unreasonable searches, seizures and deprivation of life, liberty or property without due process of law.

8. The Governor will retain power to:

a. Veto, or to prohibit or suspend the operation of, any laws, ordinances or regulations enacted by any of the above governments;
b. Order the promulgation by any of the above governments of any law, ordinances or regulations he may deem advisable;
c. Resume, in whole or in part, the exercise of full authority in the Ryukyus if instructions by him are not carried out, or if he considers such action essential to security.

The Governor will exercise the above powers with the greatest restraint.

D. Supplementary Instructions to the Governor:

9. Pending the establishment of a Ryukyuan Central Government the Governor will initiate immediately the review and codification of existing laws in effect in the Ryukyus, both of the Japanese and of the military government. He will also provide for the amendment,
revision, or rescission of such legislation in conflict with the objectives of this directive.

10. Pending the establishment of a Ryukyu Central Government the Governor will give priority to the completion of registration and/or determination of land titles, including the establishment of judicial machinery essential for the settlement of disputes in connection therewith.

11. The Governor will develop and initiate a long-range economic plan. This plan will provide for maximum participation by the Ryukyans, with the initial objective of achieving Ryukyuan self-support at that level specified in subparagraph 3 a of this directive. It should include:

a. Participation by the Ryukyans in all suitable forms of agriculture, fishing, industry and commerce under a system of free, competitive enterprise.

b. Sound policies for the utilization and conservation of Ryukyuan natural resources, including land reclamation and improvement.

c. A program for developing on a long-range basis those Ryukyuan industries which can be sources of exports or reduce import requirements.

d. Reasonable compensation by United States forces, and other United States Government agencies stationed on the islands for the contribution to their support by Ryukyuan labor and other economic resources, including real estate.

e. Development of foreign trade, initially on a government basis but with the aim of restoring private trade as early as is feasible.

f. Measures designed to stabilize the financial Structure of the economy, e.g., an adequate and equitable system of taxation to support necessary Ryukyuan governmental activities without recourse to deficit financing; a sound banking and currency system, including a single rate of exchange appropriate for all foreign transactions with the ultimate objective of free convertibility.

g. The establishment of a counterpart fund in which all funds obtained from the sale of GARJOA supplies will be deposited. Control of this fund shall be exercised by the Governor. Subject to the availability of United States appropriated funds for the purchase of land needed permanently by the United States Government as provided in paragraph 16 below, this fund shall be used for the following purposes:

(1) Pending the establishment of an adequate tax system, minimum necessary funds may be expended for the operation of the central government, but in no event will such use of these funds be made subsequent to 31 March 1952.

(2) Local currency expenses of the United States Information and Educational Program.

(3) To promote economic rehabilitation, including the extension of long-term loans to agriculture and private enterprises which will increase domestic production and promote economic self-support.
(4) Payment of rental for private property used by the United States prior to 1 July 1950. Such payments will be made at the times and in the amounts determined by the Governor.

It is not expected that any obligation will be placed on the people of the Ryukyu Islands to repay to the United States funds used for the prevention of disease and unrest, for government of the area, and economic recovery (i.e., expenditures from GARIOA appropriations).

12. The Governor will permit travel and communication to and from the Ryukyus subject to requirements of military security and availability of facilities. He will encourage emigration.

13. The Governor will encourage the establishment of the following:

a. Facilities for education with particular emphasis on personnel and physical equipment.

b. Facilities for wide dissemination of public information.

c. A program to develop intelligent participation in responsibilities of democratic citizenship.

14. The Governor will have prepared and will transmit to the Department of the Army from time to time, as requested, estimates, with complete justification, of appropriations from United States funds for the U.S. Civil Administration of the Ryukyu Islands and for relief and economic rehabilitation in the Ryukyu Islands. He will be responsible for the expenditure under approved procedures of funds made available for such purposes.

15. Title to Japanese Government-owned real property in the Ryukyu Islands is expected to remain in Japan until the coming into effect of a treaty of peace or until the state of war between the United States and Japan is otherwise terminated. It is the intention of the United States to accept at such time a United States trusteeship under the United Nations. At present the United States is an occupying power under international law. The rights of such power include the right to reduce to possession and to utilize, without paying compensation therefor, the public property of the former government or governments of the occupied territory other than that of municipalities. Accordingly, the Governor will reduce to possession such public property belonging to the Japanese Government or to Ryukyuan governmental instrumentalities other than municipalities as may be required by the United States Government, such property to be utilized without the payment of compensation. He will allocate the possession of such property to appropriate agencies of the United States. Upon the coming into force of a treaty of peace or upon the termination of the state of war between the United States and Japan, the Governor will take action to the extent authorized by the treaty or the instrument terminating the state of war to secure the title to such property in the name of the United States Government. Thereupon the Governor will re-
lease the permanent possession thereof to the agencies to which such property has been allocated.

16. The Governor will secure title to any additional real estate or facilities required permanently by the United States Government by purchase from the owners, either Ryukyuan, Japanese or other nationality, or through condemnation. This property will be acquired through negotiated purchase if possible. If it cannot be purchased at reasonable terms or if the owners refuse to negotiate, condemnation proceedings will be instituted.\(^a\) The Department of the Army, the Air Force, or the Navy or other interested United States agencies will request a specific authorization and appropriation to effect purchase of such property, subject to an equivalent reduction in GARIOA funds. If the appropriation is not granted counterpart funds to the extent available will be used for the purchase of such land as is required—this acquisition being already authorized under existing law. Such use will have priority over all other uses specified in subparagraph 11.\(g\) above, except for the operation of the central government during fiscal year 1951–52 and the payment of the yen cost of the most essential portions of the Information and Education Program.

17. The Governor may requisition or rent such property as is required temporarily by the United States Government or pending the purchase of property per paragraph 16 above. Using United States agency funds will be required to pay rent for such property from appropriated funds on and after 1 July 1950.

18. The Governor will take possession of all Japanese Government-owned real estate not required by the United States Government. He may release to Ryukyuan governmental instrumentalities without compensation such part of this property as is required for governmental use. Should the United States secure legal authority to convey the title of this property, the Governor will convey such title to the Ryukyuan Government or its instrumentalities. The remainder will be rented, primarily to Ryukyuans, with the rental being placed in a special account and used for such governmental purposes as the Governor may direct. For the purpose of encouraging the tenants to effect permanent improvements, it will be proper for the Governor to provide in any such lease that should the United States secure legal authority to convey the title of lands leased, the lessee will have the option to purchase at a price determined when the lease is executed and upon the conditions to be set out therein.

\(^a\) In a memorandum of conversation held July 29 with Major Paul Cullen of the Department of the Army, Mr. Johnson had indicated in part that both CINCPAC and the Department of State had preferred long-term leasing arrangements to outright purchase of such lands (794C.0221/7–2950). However, other documents in file 794C.0221 for 1950 indicate that the Department did not carry its position in the matter to the point of non-concurrence in that portion of the draft directive.
19. Japanese individuals or corporations resident in Japan who own property in the Ryukyu Islands not needed by the United States Government may continue to control such property provided it is reasonably utilized to the benefit of the Ryukyuan economy. Where such owners decline to permit property necessary in the Ryukyuan economy to be so used, the Governor will cause condemnation proceedings to be instituted by the native courts, and when title is secured the property will be offered for sale to acceptable purchasers.

20. The Governor will encourage the owners of Japanese private owned real property in the Ryukyus to sell that property which is not needed by the United States Government to natives of the Ryukyu Islands.

21. The Governor will make arrangement with the Supreme Commander for the Allied Powers (SCAP) whereby Ryukyu an yen, including counterpart yen, which is used to purchase Japanese privately owned real property can be converted into Japanese yen for any purpose useful to SCAP and under appropriate procedures established by SCAP with the result of Japanese yen payment being made to the seller.

22. Any provisions of present directives conflicting with the foregoing are to be regarded as modified accordingly.

694.001/10-650

Memorandum by the Director of the Bureau of German Affairs (Byroade) to the Deputy Under Secretary of State (Matthews)

SECRET

[WASHINGTON,] October 6, 1950.

Subject: Relation of Japanese Peace Treaty to German Problems.

GER has been following with interest the various drafts of a proposed Japanese peace treaty. In view of the stage which this project has now reached, I think it is our duty to record for the Department some of the effects which a treaty of the character now being planned will have with respect to our German policy.

The aspects of the Japanese treaty which are going to cause us trouble are perhaps three in number.

First, there is the fact that the proposed Japanese peace treaty will return full sovereignty to Japan. It is not possible to foresee precisely what effect this will have on the position in Germany because this will depend largely on the timing. Our ultimate goal in Germany is, of course, also full sovereignty and the recent New York decisions.

1 According to a handwritten, marginal note originating in G, copies of this memorandum were sent for information to Mr. Dulles, FE, and EUR.

2 Documentation regarding the September meetings of the Foreign Ministers of France, the United Kingdom, and the United States, held in New York, September 12-19, 1950, is scheduled for publication in volume III.

507-851—76—84
represent another significant step forward. If Germany is brought into the integrated defense scheme, we believe that it will be necessary to move forward even more rapidly toward a restoration of sovereignty. It may be, therefore, that Japanese sovereignty will not greatly precede German sovereignty and will not cause any difficult repercussions. If Japan should receive full sovereignty, however, next summer or fall, and Germany should still be many months or even several years away from full sovereignty, I believe that the political repercussions in Germany will be considerable and may be difficult to handle.

Secondly, the Japanese treaty is notable for an absence of security controls. It has, on the other hand, been a consistent part of our policy toward Germany to impose many security controls ranging from the prohibition of an Army through the agreement on PLI, control over civil aviation, to the creation of a Military Security Board. While it is widely recognized that it will not be possible to maintain all of these security safeguards, especially if German units are formed in an integrated defense force, it has been our policy to plan for at least some restrictions of a semi-permanent nature. We believe that it will be difficult to adhere to this policy in the event that the Japanese are freed from all restrictions, as it will be difficult to convince the Germans that they are less trustworthy than the Japanese.

Third, we note that the proposed Japanese treaty contains reciprocal waiver of claims arising out of the war. The settlement of the German claims problem, while under recent intensified study, has not advanced very far, but it is being shaped along lines quite different from that planned for Japan. In the case of Germany, the settlement planned is less palatable and less generous both in its general and specific aspects.

I call these matters to your attention, not because we are seeking to influence the drafting of the Japanese peace treaty. We believe that must go forward on whatever lines are indicated by the general needs of our policy in that part of the world. I do want the higher officers of the Department to be aware, however, of the fact that this Japanese peace settlement is going to set precedents which may make it very difficult for us to adhere to certain well-established aspects of our German policy.

Editorial Note

In a memorandum to Mr. Rusk of October 7, John C. Ross, an Alternate United States Representative to the Fifth Session of the U.N. General Assembly, had reported on his conversation held that day with K.C.O. Shann, First Secretary of the Australian Mission to the United Nations. Mr. Ross had said in part, with reference to a
Pacific Pact: “Shann said Spender felt that if the work being done on a Japanese peace treaty involved an easy peace for Japan then Australia must have something in place of a strong peace treaty. “Shann said Spender was leaving for home in a week or ten days and that he considered it essential that he give his people at home a definitive indication of United States views regarding a Pacific Pact. What Spender wants, Shann summarized, is an ‘unequivocal’ reaction from the United States.” (790.5/10-750) For documentation on talks with Mr. Spender which resulted from this conversation, see pages 1 ff.

694.001/10-1350

Memorandum of Conversation, by Colonel Stanton Babcock of the Department of Defense

SECRET [NEW YORK,?] October 13, 1950.

Subject: Japanese Peace Treaty

Participants: Mr. van Roijen, Netherlands
            Mr. Dulles
            Mr. Allison
            Col. Babcock

1. Mr. Dulles handed Ambassador van Roijen a memorandum outlining those points which the Department feels should be included in a Treaty with Japan. He pointed out that this memorandum was both "inclusive" and "exclusive" and explained at some length the philosophy underlying the United States views.

2. The Ambassador said that he felt sure that his government would be in sympathy with the kind of treaty desired by the United States but would no doubt make suggestions with regard to certain details.

3. He said that he felt that it was important to include Indonesia in the preliminary conversation at an early date and indicated that it would be to our advantage to do so since we would probably secure support for our views from that quarter. He pointed out that the stationing of U.S. forces in Japan would make the United States vulnerable to propaganda charges of imperialism from the Communist Powers and would eventually cause resentment in Japan unless it

1 Jan Herman van Roijen was Ambassador of the Netherlands in Canada.
2 Presumably the 7-point memorandum of September 11, p. 1296. In telegram 357 to Taipei, October 20, the Department stated in part that what was apparently the 7-point memorandum had been handed to FEC nations with whom treaty discussions had not yet been held.
3 An unsigned paper of September 22 on Japan, part of a briefing series for high officers of the Department, read in part: "The Ambassadors of Indonesia and Korea have also been informed [of the preliminary treaty discussions] although, since their governments are not members of the FEC, they are not being invited to participate at this stage." ("Policy Record Guide," 611.00/9-2250 Bulky)
was clear from the beginning that those forces would be withdrawn within a definite period. He also expressed some concern lest economic pressure force Japan into the Communist orbit in spite of all that we could do but he agreed that a generous peace with no restrictions was more apt to accomplish our aims than one designed to force Japan into the orbit of the Western Powers.

C[?] S[ TANTON] B[ ABCOCK]

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Editorial Note

On October 15, 1950, President Truman, General MacArthur, and a number of other officials met at Wake Island. Their conversations touched at several points on issues related to United States policy toward Japan. For a compilation by General Bradley of certain notes kept by the conferees from Washington, see volume VII, page 948.

694.001/10-1950

Memorandum of Conversation, by Colonel Stanton Babcock of the Department of Defense

SECRET [NEW YORK,?] October 19, 1950

Subject: Japanese Peace Treaty

Participants: Mr. Doidge, Foreign Minister, New Zealand

Mr. Mackintosh, Deputy Foreign Minister, New Zealand ¹

Sir Carl Berendsen, Ambassador, New Zealand

Mr. Corner, New Zealand Embassy ²

Mr. Dulles

Mr. Allison

Col. Babcock

1. At the conclusion of Mr. Dulles’ explanation of United States views with regard to a Japanese treaty, and after reading a memorandum ³ which outlined the type of treaty desired by the United States, Mr. Doidge said that he appreciated the United States viewpoint and, in fact, entertained considerable sympathy for that point of view. He went on to say, however, that New Zealand was constrained to regard the problem from the standpoint of her own “precarious” security position. New Zealand therefore, before accepting the principle of no military restrictions on Japan, would want to ascertain the United States attitude towards a Pacific Pact or other form of security guarantee.

¹ A. D. Mackintosh was Permanent Head and Secretary of External Affairs.

² F. Corner, First Secretary of Embassy.

³ Apparently that of September 11, p. 1296.
2. Mr. Dulles replied that an overall Pacific Pact presented difficulties in that it would commit the stronger and more responsible nations to the support of certain highly unstable and irresponsible governments regardless of how they might conduct their affairs. A limited pact would be equally undesirable since the exclusion of any nation might be interpreted by the Communists to mean that they need expect no opposition in that area. He added that the security interests of the United States and its close ties with the English-speaking world were the surest guarantees of our assistance to New Zealand in the event of an emergency and that less responsible nations in the Pacific area should be made to feel that their security was contingent in some degree on their behavior and attitudes.

3. During a later conversation between Mr. Doidge and Colonel Babcock the former again brought up the subject of a security guarantee and pointed out that New Zealand felt that it was committed to go to the assistance of Britain (and hence to assist the nations joined in the Atlantic Pact) and that he thought it unfair that there was no reciprocal guarantee for New Zealand. In reply it was suggested that if there were a legal obligation on New Zealand’s part to assist the Atlantic Pact countries it could probably be made to work both ways, whereas if the obligation were merely moral or based on mutual ties, New Zealand could rest assured that a similar obligation was recognized by both Britain and the United States. Mr. Doidge admitted that New Zealand’s obligation was purely moral and that it was probably illogical to expect anything but a moral obligation in return, but he added that it would be extremely difficult for New Zealand to accept a re-armed Japan without a firm security guarantee from the United States.4

4 Towards the end of a courtesy call on the Secretary on October 23, Mr. Doidge in part expressed apprehension over a rearm ed and vengeful Japan “... if the Treaty were soft enough to permit them any opportunities to rearm. ... He made the parallel of Germany after World War I and thought the Peace Treaty must be very carefully drawn and have adequate safeguards. The Secretary reminded Mr. Doidge of the dilemma we were faced [sic] and the equally great dangers of a power vacuum in Japan or a too weak Japan, and said we must find some way to meet both aspects of the problem.” (memorandum of conversation between the Secretary, Mr. Doidge, and other officials by Livingston Lord Satterthwaite, Deputy Director of the Office of British Commonwealth and Northern European Affairs, Lot 53D444)

Memorandum of Conversation, by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[WASHINGTON,] October 22, 1950.

Subject: Japanese Peace Treaty
Participants: Mr. Daridan, French Embassy ¹
               Mr. Fearey, NA

¹ Jean Daridan, Minister Counselor of the French Embassy.
Mr. Daridan called at my suggestion in connection with a Japanese treaty. I explained that Mr. Allison had hoped to see Mr. Daridan while in Washington this morning but, having had to return to New York earlier than expected, had asked me to hand him the statement of tentative U.S. views which Mr. Dulles and Mr. Allison had been giving representatives of the FEC nations in New York, and to explain our background thinking on a treaty.

Mr. Daridan expressed approval of the desire of the U.S. Government to get forward with a treaty as rapidly as possible, and with the necessity for maintaining U.S. and possibly other friendly Allied forces in Japan in the post-treaty period. At the same time he stated that the assumption by Japan of a growing measure of responsibility for its own defense must be anticipated and that any other proposal would be unrealistic in light of present and prospective world conditions. In answer to his question whether our position on Formosa did not constitute a departure from the terms of the Cairo Agreement, I replied that the circumstances had changed greatly since that time, and that the results of the General Assembly's consideration of the Formosa problem would doubtless have an important bearing on our and other countries' final position on the question. Mr. Daridan said that he planned to send the U.S. memorandum to Paris and hoped to be in touch with us again in the matter shortly.

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Text of the Communiqué released to the press at the close of the First Cairo Conference held November 22–26, 1943, between the Heads of Government of China, the United Kingdom, and the United States, is printed in Foreign Relations, The Conferences at Cairo and Teheran, 1943, pp. 443–449.

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Memorandum of Conversation, by Colonel Stanton Babcock of the Department of Defense


Subject: Japanese Peace Treaty

Participants: Dr. Wellington Koo, Ambassador of China
Dr. Tang, Chinese Embassy
Mr. Dulles
Mr. Allison
Colonel Babcock

1. Dr. Koo said that he, and he felt sure his government, would support the U.S. position with regard to no military restrictions on Japan. He said that China was naturally worried about a possible resurgence of Japanese militarism but that she recognized the impossibility of enforcing indefinitely any military treaty clauses. He felt that

1 Possibly Dr. Shao-Hwa Tan, Minister Plenipotentiary.
the presence of U.S. troops in Japan for a period was the best guarantee against Japanese militarism and was the most that anyone could hope for under conditions now existing.

2. Dr. Koo indicated that China would "like" something in the way of reparations. He said that China's economists were working on a plan which would combine reparations with a Trade Agreement over a long-term period "in a way which would be mutually helpful to Japan and China." When pressed to explain how this could be accomplished, Dr. Koo indicated that he was not thoroughly familiar with the details but that his government was hopeful of submitting a plan which the United States would find acceptable.²

3. Dr. Koo's principal objection to the proposed treaty was the provision that the status of Formosa should be settled by the United Nations. Mr. Dulles replied that he understood the Chinese viewpoint but that he wanted to be absolutely sure that China understood the United States stand. He pointed out that it was only because we took the view that Formosa represents a problem which should be settled by international agreement that we were able to protect Formosa with the Seventh Fleet. Were we to accept the Chinese point of view our use of the Seventh Fleet would constitute an interference in China's internal problems. Dr. Koo said that his government could not change its attitude but indicated that there would no serious attempt on China's part to embarrass the United States in "a continuation of its helpful attitude."³

² In a memorandum of a conversation held October 19 by Mr. Dulles, Mr. Allinson, and himself with J. Barrington, Ambassador of Burma to the United States, Colonel Babcock stated in part that Ambassador Barrington had indicated his government would probably be disturbed over the lack of military restrictions and very much concerned over the waiving of reparations. "Mr. Dulles stressed in reply that the United States attitude was not motivated by any desire to 'forgive and forget' but was based on the realization that Japan could not pay reparations except to the extent that she received economic aid from the United States." (694.001/10-1950)
³ For documentation on United States policy regarding the status of Formosa, see pp. 256 ff.

694.001/10-2650

Memorandum of Telephone Conversation, by the Assistant Secretary of State for Far Eastern Affairs (Rusk)

TOP SECRET [WASHINGTON,] October 26, 1950.

Subject: Japanese Peace Treaty

Participants: John Foster Dulles—USUN
Dean Rusk—Assistant Secretary

I discussed with Mr. Dulles his proposal to hand Mr. Malik ¹ an additional aide-mémoire (copy attached) in connection with para-

¹ See the memorandum infra.
graph 3(c) of the memorandum on the Japanese Peace Treaty. The latter memorandum has been handed by him to each of the delegations with whom he discussed the Japanese Peace Treaty and it can be assumed that the Soviets have a copy or the substance thereof from press reports.

I told Mr. Dulles that our view here was that it might be disadvantageous to give the Soviets an additional aide-mémoire and that as a matter of negotiating procedure, it might be better to handle the matter orally. I said we looked upon this first talk as a preliminary meeting and that we should not go any further with commitments than we have to pending some expression of Soviet views. I said we thought that it might be better, rather than to mention the Cairo Declaration, to say that the question of Formosa was before the United Nations and that it might be well to see how that discussion progressed before reaching any flat formula in connection with a possible peace settlement.

Mr. Dulles said that he accepted that method of handling and had suggested an additional aide-mémoire in order to try to head off a violent Soviet propaganda charge that we were scrapping the Potsdam and Cairo Declarations, etc. I said that we would probably get the propaganda charge anyhow and that further pieces of paper on the subject might be interpreted by the Soviets as documentary proof that their charges were well founded.

In closing Mr. Dulles expressed some dismay at what he thought was the unnecessarily unfavorable position into which we had moved by publicly threatening the use of the veto in the matter of the Secretary General.

[Attachment]

Revision 3

Aide-mémoire with respect to paragraph 3(c).

It could be assumed that if the Japanese Peace Treaty were multilateral and the Soviet Union a party thereto, Japan would, by the treaty, cede South Sakhalin and the Kuriles to the Soviet Union.

As regards Formosa and the Pescadores, it is believed that it is appropriate for the United Nations to consider further and if so, how, the purpose of the Cairo Declaration could be carried out consistently with the obligations of Article 73 of the United Nations Charter, which obligations have now been assumed by the nations which were allied against Japan.

October 25, 1950

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* Of September 11, p. 1296.
* For documentation pertinent to this question, see vol. ii, pp. 87 ff.
Undated Memorandum by Mr. Robert A. Fearey of the Office of
Northeast Asian Affairs

SECRET

[AUSTRALIAN GOVERNMENT]

ANSWERS TO QUESTIONS SUBMITTED BY THE AUSTRALIAN GOVERNMENT ARISING OUT OF THE STATEMENT OF PRINCIPLES REGARDING A JAPANESE TREATY PREPARED BY THE UNITED STATES GOVERNMENT

1. “Parties.”

(a) Would Nationalist China be a party to the Treaty?
The current preliminary discussions of a treaty are being conducted by the United States with the National Government of China. This follows from the fact that the National Government is the government which the United States recognizes and which continues to represent China on the Far Eastern Commission and the Allied Council for Japan. Whether the National Government or the Communist regime should be invited to sign the treaty for China is a question which the United States will wish to discuss with the Australian Government and other principally concerned governments.

(b) Would the United States proceed with a Treaty without the USSR?
This also is a matter upon which the United States will wish to obtain the views of other nations before arriving at a final position. The fact that the United States is again endeavoring to bring about a peace settlement with Japan without any indication that the USSR has altered the procedural views which caused the failure of the previous attempt stands in evidence, however, that the United States is prepared to proceed without the USSR if other interested nations are similarly minded.

(c) What procedures are envisaged for a peace conference?
It is not anticipated that firm procedural plans will be developed at least until the completion of the current informal discussions in New York. Conceivably the treaty negotiations might be conducted very largely through diplomatic discussions. The question of whether there will be a peace conference and, if so, when and where, has not yet been given more than the most preliminary consideration.

1 Undated, but attached to a memorandum of October 26, not printed, from Mr. Fearey to Mr. Allison (694.001/10-2650).
2 It is not known when these questions were submitted. A copy of them, not printed, was found attached to Mr. Fearey’s memorandum of conversation, p. 1323. Evidence of when the present document was transmitted to Australian representatives has not been found in State Department files.
3 The questions are keyed to, and all quotations are taken from, the seven-point memorandum of September 11, p. 1296.
2. "United Nations."

(a) Does the principle that "membership by Japan would be contemplated" imply a commitment on the part of the Allied Powers to sponsor or support Japan's application for membership of the United Nations?

United States thinking has been that Japan would undertake in the treaty promptly to apply for membership in the United Nations and that the Allied and Associated Powers which are members of the United Nations would undertake to support its application.

3. "Territory."

(a) More precise information concerning the disposition of former Japanese territories, e.g., the Paracel, Volcano and Marcus and Izu Islands, is requested.

It is thought that the islands of the Inland Sea, Oki Retto, Sado, Okujiri, Rebun, Riishiri, Tsushima, Takeshima, the Goto Archipelago, the northernmost Ryukyus, and the Izus, all long recognized as Japanese, would be retained by Japan. The central and southern Ryukyus, the Bonins, including Rosario Island, the Volcanos, Parece Vela and Marcus would be placed under the trusteeship system of the United Nations with the United States as the administering authority. Because of the considerable population of the Ryukyus and the virtual certainty that strategic trusteeships would be vetoed by the Soviet Union, the United States would seek ordinary trusteeships for these islands. Japan would accept the United Nations Security Council action of April 2, 1947 extending the trusteeship system to the former Japanese Mandated Islands. The treaty would contain no reference to Pratas Reef and Island, over which China formally reasserted sovereignty in 1947, or to the Paracel Islands or Spratly Island, title to which has been disputed between France and China. While Japan also claimed Spratly Island before the war its claim to this uninhabited spot is not believed important enough to warrant mention in the treaty. The Japanese Government never claimed any territories in the Antarctic. It is not considered that Japan should be required in the treaty to renounce claims on behalf of Japan made by Japanese Antarctic expeditions.


(a) If this principle were included in the treaty would it commit all or any of the signatories to the treaty to guarantee Japan's security?

No signatory nation would be committed under the treaty to guarantee Japan's security. The United States and any other nations which maintained armed forces in Japan in the post-treaty period at Japan's
request would of course be committed in fact to employ those forces to
the best of their ability, if need arose, for the defense of Japan.

(b) How precisely would the security principle be written into the
treaty? For example, would detailed provisions for “continuing co-
operative responsibility between Japanese facilities and U.S. forces”
[sic] be included in the treaty?

The treaty would establish the framework of Japanese-Allied co-
operation for the peace and security of the Japan area. Provisions
regarding the relationship of the security forces to the Japanese Gov-
ernment, sharing of costs and similar questions of the detailed im-
plementation of the security arrangements would be contained in a
supplementary bilateral agreement between the United States and
Japan to come into effect simultaneously with the coming into effect
of the treaty.

(c) What “other forces” are contemplated?¹

The reference to “other forces” refers specifically to the possibility
that other friendly FEC nations may be willing to station armed forces
in Japan. Such forces would be under the overall direction of the
commander of the U.S. forces.

(d) In view of past Japanese aggression, what provision would
be made in the treaty for the maintenance of international peace and
security in the Pacific areas as distinct from “the Japan area.”

The U.S. considers that the important military threat for the fore-
scable future is not Japan, now that that country has been deprived
of its empire, but the Soviet Union. It believes that the overriding
security objective with respect to Japan is to ensure that it does not
of its own choice or under Soviet pressure or attack fall under the
control of the USSR and its industrial capacity and trained man-
power become an instrument of Soviet aggression. To the extent that
Japan may be considered a potential security threat in its own right,
the U.S. forces retained in Japan after the treaty can be counted
upon to restrain that threat. The U.S. will not remove those forces

¹In the memorandum cited in footnote 1 above, Mr. Fearey said in part:
“...The most ticklish Australian question, though I am not sure they realized it,
seems to me to be 4(c): ‘What “other forces” are contemplated?’..."
until alternative arrangements under the United Nations or otherwise have been established to provide effectively both for the security of Japan and security against a resurgence of Japanese aggression. In addition, the Australian Government is aware that the U.S. considers the security of Australia, New Zealand and the Philippines among other Pacific nations essential to its own security, and would immediately come to the assistance of any of those nations should they be threatened by Japanese attack.

5. "Political and Commercial Arrangements."

(a) Is it contemplated that most-favored-nation treatment would be reciprocal?

Yes. Japan would be permitted to withhold from any Allied and Associated Power the application of more favorable treatment than that Power, subject to the exceptions customarily included in its commercial agreements, was prepared to accord Japan in that respect.

6. "Claims."

(a) In view of the use of the words “in general” in section 6(a), what types of Japanese property would not be retained by the Allied Powers?

The types of property not retained would be substantially the types exempted under paragraph 6 of Article 79 of the Italian Treaty. Examples are diplomatic and consular property, property of religious, charitable, cultural and educational institutions, and the property of Japanese nationals permitted to reside in the territory of one of the Allied and Associated Powers.

7. "Disputes."

(a) What “other disputes” is it contemplated to refer for diplomatic settlement to the International Court of Justice?

It is contemplated that any dispute between an Allied and Associated Power and Japan concerning the interpretation or execution of the treaty, except disputes pertaining to security or claims matters, which is not settled through diplomatic channels would be referred to the International Court of Justice for decision. Claims disputes would be settled by an Arbitral Tribunal whose members would be designated by the President of the International Court of Justice. Disputes between Japan and any government maintaining armed force in Japan concerning the interpretation or execution of the security provisions of the treaty would be settled by the governments concerned through diplomatic channels.

5 For text of the Treaty of Peace with Italy, signed at Paris, February 10, 1947, see TIAS 1648 or 61 Stat. (pt. 2) 1245.
Supplementary Questions

(a) What is the United States view concerning the disposition of the Far Eastern Commission and Allied Council for Japan?

It is of course contemplated that the Far Eastern Commission, the Supreme Commander for the Allied Powers, and the Allied Council for Japan would cease to act on the coming into force of the peace treaty. If it is possible at that time to secure the agreement of a majority of the representatives on the Far Eastern Commission, including the United States, the United Kingdom, the USSR and China, to a decision that the Commission shall cease to function and the Office of the Supreme Commander and the Allied Council shall be dissolved, such a decision would be desirable. Presumably it will be possible to arrive at this decision if the four veto members of the FEC are parties to the treaty. If the agreement of the necessary Powers to such a decision cannot be obtained it is believed that the FEC, SCAP and the ACJ should simply be permitted to disappear after the treaty by common consent of the signatories.

(b) What is the United States view concerning the inclusion in the treaty of a Human Rights clause?

The United States is inclined to favor the inclusion of a human rights clause modelled on that in the Italian and Axis satellite treaties. It considers, however, that the clause should be in the form of a declaration of intention rather than of an enforceable treaty commitment.

(c) What is the United States interpretation of Article 9 of the Japanese Constitution (Renunciation of War)?

The United States respects this provision as an expression of the popular will in Japan embodied in Japan's fundamental law. Interpretation of the provision as it bears on Japan's right to defend itself from unprovoked attack, and to prepare for defense against attack, is a matter of Japanese concern under procedures set forth in the Constitution. Should the requisite majorities of the Diet and the people desire to amend the provision that too would lie within their power.

(d) What is the United States view regarding Japan's continuing adherence to policy decisions adopted by the Far Eastern Commission, and to directives and orders issued by the Supreme Commander for the Allied Powers?

It is considered that the peace treaty will be the sole expression of Allied views binding on Japan after the treaty comes into effect. While it is to be hoped that Japan will continue to observe FEC decisions and SCAP directives of lasting value even though those decisions and directives are not specifically confirmed in the treaty, this would be a matter for the Japanese to decide.
Memorandum of Conversation, by Colonel Stanton Babcock of the Department of Defense

SECRET

[NEW YORK,] October 26–27, 1950.²

Subject: The Japanese Peace Treaty

Participants: Mr. Malik, USSR Representative on Security Council
Mr. Trolyanovski, USSR translator
Mr. Dulles
Mr. Allison
Colonel Babcock

1. Mr. Dulles opened the conversation by explaining that the United States attitude toward a treaty with Japan was based on the theory that the best way to assure Japan’s adherence to peaceful ways and her adherence to standards of good international conduct was to conclude with her a non-restrictive and liberal peace treaty. He explained that, in the view of the United States, we were faced with two alternatives: either to impose a harsh treaty which must be backed up by force over a long period of time, or to conclude a liberal peace. While we recognize that the second alternative offers no guarantee of attaining our objectives it seems to us to offer a better chance of success than the other course of action. He then handed Mr. Malik the Memorandum on the Japanese Peace Treaty which has been given to each of the nations represented on the Far Eastern Commission.

2. Mr. Dulles then pointed out (in connection with paragraph 3(c) of the memorandum dealing with territories) that it could be assumed that if the USSR were a party to the treaty, Japan would, by the treaty, cede South Sakhalin and the Kuriles to the Soviet Union. As regards Formosa and the Pescadores, the United States feels it is appropriate for the United Nations to consider whether, and if so how, the purpose of the Cairo Declaration could be carried out consistently with the obligations of Article 73 of the UN Charter, which obligations have now been assumed by the nations which were allied against Japan. The United States proposal in this matter could be considered as a parallel to the action taken by the four major powers when they

¹ In a memorandum of a conversation held with Mr. Malik on October 17, Mr. Dulles had stated: “Mr. Malik has told me that the Soviet Union would like to discuss with us the matter of a Japanese Peace Treaty and that he would like it understood that the initiative in arranging a talk now rests with us. I told Mr. Malik that we would be glad to talk shortly with him or Mr. Vishinsky or both and would doubtless be in touch with them in this connection within the next week or so.” (694.001/10–2750)

² The conversation lasted from 10:30 p. m. to 12:30 a. m.

³ Of September 11, p. 1286.
found that they were unable to agree in regard to the disposition of the Italian colonies and referred the problem to the United Nations.¹

3. In reply, Mr. Malik stated that the Soviet Union had opposed the consideration of Formosa by the United Nations because the status of Formosa had been settled at Cairo and confirmed at Potsdam and that, therefore, the question of Formosa was an internal problem of China. He said that he failed to understand the "parallel" drawn between Formosa and the Italian colonies since in the case of the former there had been agreement during the war among the four major powers, whereas in the latter case there had been no such agreement.

4. Mr. Malik then pointed out that the memorandum provided for reference of the Formosa problem to the United Nations in the event that the four major powers failed to reach agreement within a year, but that the United States had failed to wait for the expiration of the suggested time period and already referred this matter to the United Nations.

5. Mr. Dulles said that our experience with the problem of the Italian colonies had led us to expect considerable delay before a solution in a matter of this kind could be reached by the United Nations. He also explained that the memorandum in question had been prepared on September 11th before the Formosan problem had been placed on the U.N. agenda, and if it had been prepared later, it might have been expressed somewhat differently, but that this memorandum in its present form had been handed to each of the other nations on the Far Eastern Commission and we felt that the Soviet Union should receive the same document without change.

6. Mr. Malik then asked for a fuller explanation of paragraph 4 of the memorandum which deals with security. Mr. Dulles explained that in the present troubled state of the world the United States felt that it would be unwise to have a Japan, prohibited by her constitution from rearming, in a totally defenseless state since the result might be detrimental to peace and security in the Pacific area. The United States, therefore, intended to retain in Japan sufficient strength to serve as a stabilizing force. He emphasized that the United States forces would not be of sufficient strength to constitute an offensive threat to the Soviet Union or any other Asiatic power.

7. Mr. Malik in reply merely stated that there was no difference between the United States proposal and the present situation since United States troops stationed in Japan after the treaty would be in

¹ For documentation regarding this decision, taken by France, the United Kingdom, and the United States and the Soviet Union in accordance with Annex xi of the Treaty of Peace with Italy, see Foreign Relations, 1948, vol. iii, pp. 891 ff.
effect the same as United States troops remaining in occupation.\textsuperscript{5}

8. Mr. Malik then returned to the question of territories and said that since the Surrender Terms specified that the four main islands of Japan and "other small islands" as determined by the Allied Powers would remain under Japanese sovereignty he failed to understand the United States proposal with regard to a trusteeship over the Ryukyu and Bonin Islands since those islands were a part of the "other small islands" referred to in the Terms of Surrender. There had been express agreement regarding the islands to be detached, i.e. Kuriles, Pescadores and Formosa. Mr. Dulles replied that our proposal was as set out in the memorandum.

9. Mr. Dulles said that it was our hope that the treaty would be signed by all the nations represented on the Far Eastern Commission but that if any failed to participate it was our intention to proceed anyway providing the Japanese were willing to negotiate a separate peace.

10. Mr. Malik evidently misunderstood the above statement and asked if the Japanese were to determine the procedure which would be adopted by the Allied Powers. Mr. Dulles said no, but that it was not our intention to coerce the Japanese into signing a treaty which would not be signed by all the nations on the Far Eastern Commission. He said that we had not yet made up our minds as to the procedure which should be adopted and that we would probably do that after we had gotten the reactions of the other nations to our initial proposals.

11. Mr. Malik asked if we had yet received any answers to our proposals and on being informed that we had not said that he too would have to wait until after he had given further consideration to our proposals.

12. Mr. Dulles then said that he hoped very much that we would be able to produce a treaty which the Soviet Union and the United States could both sign and that he felt that if the Soviet Union were really desirous of taking a step which would lead to a relaxation of the tensions between our two countries she would adopt a realistic view towards this treaty. We had been unable to agree on a treaty for Germany and Austria to date largely because each of the four powers was afraid that it would lose a position of strength in those areas which it now held. In Japan the Soviet Union had no such position and would lose nothing by adhering to the type of treaty suggested,

\textsuperscript{5} In an undated supplementary document, Mr. Dulles transcribed several purported direct quotations from this conversation. One of these read:

"Mr. Malik: (With reference to Okinawa and U.S. garrisons in Japan) 'It would seem that the U.S. proposed Japanese treaty would not change very much the position of the U.S. in Japan and its islands.'"

"Mr. Dulles: 'No, it would not, at least at first.'" (694.001/10-2650)
and if it took a realistic attitude, it could make a real contribution towards the relaxation of tensions without sacrificing anything of importance.

13. Mr. Malik replied by saying that he understood Mr. Dulles but felt that the realistic approach should be mutual. Ever since the end of the war, United States military power had flowed into areas while the war had left in a state of political or military vacuum until the Soviet Union was now surrounded by United States military bases. The United States had a base on Okinawa but the Soviet Union had none in the Caribbean. American propagandists incited their people constantly to a fear of the Soviet Union whereas there was, in fact, no intention on the Soviets' part to attack the United States or do anything but live in peace and friendship. The United States, which was a believer in the "profit system" seemed, in its international relations, to be an exponent of more and more profits never satisfied with what it had attained.

14. Mr. Dulles said that, as regards American bases, sea and air power manifested themselves in a manner somewhat different from land power. He pointed out that if the cause of tension resulted from the natural expansion of two dynamic powers, we had probably attained a state of balance by now and there should be hope of a stabilization of the situation.

15. Mr. Dulles then said that he desired to make one more point. He felt that one of the causes of fear of the Soviet Union on the part of the United States was the fact that the former was using its great national power in support of a World-Wide Revolutionary idea that interfered in the internal affairs of other nations by force and other means. He felt that there were no serious problems between the Soviet Union as a nation and the United States as a nation and that neither had anything to fear from the other. He did feel, however, that we were justified in fearing the power of the Soviet Union in support of an international revolutionary movement.

16. Mr. Malik pointed out at great length that the Soviet Union had nothing but peaceful intentions and that Communism was not for export, but a doctrine for internal consumption only. At this point Mr. Dulles quoted, and Mr. Malik tried to explain, various passages from Stalin's Problems of Leninism which seemed inconsistent with what Mr. Malik had said. Mr. Malik emphasized that the relations of the Soviet Union with its "friendly states" was on a basis of complete equality whereas the United States was forcing higher and higher taxes on the world by its insistence not only on its own rearmament but on the armament of most of the world.

17. Mr. Malik then asked if the "United States monopolies" would be willing to trade with the Soviet Union on the basis of a "fair profit"
and not “excessive profits.” Mr. Dulles said “Yes.” Mr. Malik repeated the question and said: “This is very important.”

18. Mr. Malik concluded by saying that he wanted to emphasize that success in our endeavors could result only from a “realistic” approach on the part of both our countries.

[Attachment]

27 October 1950.

Draft of Points To Be Included in the Formulation of the Terms of the United States-Japanese Bilateral Agreement on Security

[Here follows a table of contents.]

PREAMBLE

Recalling that Japan and the United States have this date entered into a Treaty of Peace expressive of the conviction that security against aggression in the Japan area and elsewhere in Asia is a prerequisite to the maintenance of individual liberty, free institutions, stable economic relationships, and is otherwise essential to an achievement of the objectives of the Charter of the United Nations;

Considering that both governments have agreed in the Treaty of Peace that security forces of the United States shall remain in the Japan area for this purpose until Japan possesses the means to discharge this responsibility alone and in accordance with the principles
of the Charter of the United Nations, or until a superseding security arrangement is established with the consent of the United States;

And having in mind that the security forces of the United States shall have as their purpose the defense of Japan against aggression, and the further purpose of assisting in the maintenance of internal law and order upon the invitation of the Japanese government,

The Japanese government and the United States government agree as follows:

1. **Effective Date and Period of Application**

   The provisions of this agreement will become effective simultaneously with the coming into force of the Treaty of Peace, and will remain effective until the withdrawal from Japan of United States security forces or until the adoption of a superseding security arrangement acceptable to the United States government with respect to the Japan area.

2. **Right of Maneuver**

   The principle that the entire land mass of the Japan area will be regarded as a potential area for the defensive maneuver of military forces is accepted.

   The United States military commander, acting in the normal chain of command within the United States government, shall have the unrestricted authority to make such strategic dispositions of military forces, after notice to the Japanese government, as may, in the light of existing external threats to the security of Japan, be deemed necessary. In the event of hostilities or imminent threat of hostilities, the United States military commander shall have the right to make such tactical dispositions as the military situation requires. Except in time of hostilities or imminent threat of hostilities, no major change of a permanent nature in the disposition of security forces shall be made by the United States commander in the absence of consultation between representatives of the United States and Japanese governments.*

   In locating the aforesaid areas for strategic and tactical disposition, the fullest consideration consistent with military necessity shall be given to the welfare, health and economic needs of the native peoples of Japan.†

   In the absence of hostilities or imminent threatened hostilities, the United States, after notice to the Japanese government, shall have the right to use land and coastal sea areas of appropriate size and

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*Paraphrase of the views of General MacArthur as set forth in memorandum of 14 June, 1950. [Footnote in the source text. The memorandum is printed p. 1218.]

†See Art. v of U.S.-Denmark Agreement, April 9, 1941. [Footnote in the source text. For text of agreement for defense of Greenland, signed at Washington, and notes exchanged, see Department of State Executive Agreement Series (EAS) No. 204, or 56 Stat. (pt. 2) 1245.]
location for military exercises, for additional staging areas, bombing and gunnery ranges, and for such intermediate airfields as may be required for safe and efficient air operations.† Operations in such areas shall be carried on with due regard and safeguards for the public safety.§


Security forces shall customarily be garrisoned at installations presently utilized by allied occupation forces, and all facilities or areas currently required by them shall remain under the exclusive control of the security forces.

Further assistance, including the use of additional land areas, installations or other facilities, as may be required from time to time by the security forces for garrison purposes, shall promptly be provided by the Japanese government upon the certification of, and following consultations with, a representative of the United States government; provided, however, that nothing herein shall be construed as requiring the United States to certify its requirements to, or consult with, the Japanese government or officials thereof in connection with the utilization of land areas, installations or other facilities in the event of hostilities or imminently threatened hostilities; and provided further that, in the event of such hostilities or imminently threatened hostilities, the Japanese government shall promptly provide, at the request of the United States military commander, such installations, facilities, materials, equipment, supplies and other assistance as he may deem necessary at the time and under the circumstances.

Japanese real and personal property utilized from time to time by security forces shall, when no longer required, be returned to the Japanese government in good condition, subject to normal depreciation or ordinary wear and tear. In cases of damage to such property during the period of use, except for losses arising directly from hostilities, compensation shall be made following agreement between the United States government and the Japanese government.

4. Further Description of Rights||

The United States shall have such rights, powers and authority within installations or defense areas as are necessary for the establishment, use, operation and defense thereof, or appropriate for the control thereof, and all the rights, power and authority within the

†Agreement between the U.S. and Philippines Concerning Military Bases [entered into force], March 26, 1947. [Footnote in the source text. For text of agreement, signed at Manila March 14, and notes exchanged, see TIAS 1775 or 61 Stat. (pt. 2) 4019.]

§Tbid. [Footnote in the source text.]

||Agreement between the U.S. and Philippines Concerning Military Bases, March 26, 1947. [Footnote in the source text.]
limits of territorial waters and air space adjacent to, or in the vicinity of, installations or defense areas which are necessary to provide access to them, or appropriate for their control.

Such rights, power and authority shall include, inter alia, the right, power and authority:

(a) to construct (including dredging and filling), operate, maintain, utilize, occupy, garrison and control the installations or areas;
(b) to improve and deepen the harbors, channels, entrances and anchorages, and to construct or maintain necessary roads and bridges affording access to such installations or defense areas;
(c) to control (including the right to prohibit) insofar as may be required for the efficient operation and safety of installations or defense areas, and within the limits of military necessity, anchorages, moorings, landings, takeoffs, movements and operation of ships and water-borne craft, aircraft and other vehicles on water, in the air or on land comprising, or in the vicinity of, the installations or defense areas;
(d) to acquire such rights of way, and to construct thereon, as may be required for military purposes, wire and radio communications facilities, including submarine and subterranean cables, pipe lines and spur tracks from railroads;
(e) to construct, install, maintain, and employ in any installation or defense area any type of facilities, weapons, substance, device, vessel or vehicle on or under the ground, in the air or on or under the water that may be requisite or appropriate, including meteorological systems, aerial and water navigation lights, radio and radar apparatus and electronic devices, of any desired power, type of emission and frequency.

In the exercise of the above-mentioned rights, power and authority, the United States agrees that the powers granted to it will not be used unreasonably or in such a manner as to interfere with the necessary rights of navigation, aviation, communication, or land travel within the territories of Japan. In the practical application outside installations and defense areas of such rights, power and authority, there shall be, as the occasion requires, consultation between the two governments.

5. Shipping and Navigation

United States public vessels operated by or for the Army or Navy Departments, the Coast Guard or the Coast and Geodetic Survey, and the military forces of the United States, military and naval aircraft and government-owned vehicles, including armor, shall be accorded free access to, and movement between, ports and United States installations and defense areas throughout Japan, including territorial waters, by land, air and sea. This right shall include freedom from compulsory pilotage and all toll charges. If, however, a pilot is taken,

Agreement between the U.S. and Philippines Concerning Military Bases, March 26, 1947. [Footnote in the source text.]
pilotage shall be paid for at appropriate rates. In connection with the entrance into Japanese ports by United States public vessels, appropriate notification under normal conditions shall be made to the Japanese authorities.

Lights and other aids to navigation of vessels and aircraft placed or established in the installations and defense areas and territorial waters adjacent thereto, or in the vicinity, shall conform to the system in use in Japan. The position, characteristics and any alterations in the lights or other aids shall be communicated to the appropriate authorities of Japan.

6. Jurisdiction over Defense Areas, and Installations or Facilities

The United States shall have exclusive jurisdiction over all installations and defense areas in Japan utilized by security forces, and over the military and civilian personnel of the government of the United States and their families within the said installations or defense areas, as well as over all other persons within such areas except Japanese citizens. The government of the United States shall retain the right, however, to turn over to the Japanese authorities for trial and punishment any person, other than a citizen of the United States, committing an offense in such areas. The Japanese authorities shall have the privilege of turning over to the United States authorities for trial and punishment any of the United States military or civilian personnel and their families who may commit offenses outside of such areas. The Japanese authorities and the United States authorities shall undertake adequate measures to insure the prosecution and punishment of all such offenders, it being understood that relevant evidence shall be furnished reciprocally to the two authorities.**

[Here follow sections dealing with exemptions in favor of security personnel and incoming goods, postal facilities, sales and services, and United States reserve organizations.]

11. Relationship of Security Forces to the Japanese Government

The security forces shall neither have the responsibility nor the authority to intervene in the ordinary internal affairs of Japan.

In the event of civil unrest or riot, the Japanese government shall have the privilege of inviting United States forces to take whatever measures are necessary under the circumstances to restore law and order.

12. Limitations on Security Forces Garrisoned in Japan

(There will be no limitation as to the type, size or composition of United States security forces garrisoned in Japan.)

**Patterned after the [defense] agreement between the United States and Liberia, signed at Monrovia, March 31, 1942. [Footnote in the source text. For text of the agreement see EAS No. 275, or 56 Stat. (pt. 2) 1621.]
13. Withdrawal of Security Forces from Japan

(The date on which such security forces will depart from Japan will not be stipulated.)

14. Japanese Armed Forces

Following ratification of the Treaty of Peace, such prohibitions against the rearmament of Japan as were imposed during the period of the occupation shall cease to be operative insofar as they had previously constituted obligations to the United States under the Terms of Surrender.

It is acknowledged, in this connection, that the provisional garrisoning in Japan of security forces of the United States has for its purpose the protection and maintenance of international peace and security in a manner consistent with the principles and objectives of the Charter of the United Nations, and that, whenever it appears to both nations that the Japanese government is adequately prepared to discharge this responsibility alone, and in accordance with its obligations under the Charter of the United Nations, the United States shall withdraw the protection afforded by its security forces.

No land, sea, or air forces will be established by the Japanese government during the period that this agreement is in effect, except with the advice and consent of the United States government with respect to the strength, type, composition, armament, and other organizational features of such forces, any schedule for their creation being in all respects subject to the determination of the United States government in consultation with the Japanese Government.

In the event of hostilities or imminently threatened hostilities, as determined by the United States, all armed forces in Japan, including the Japanese Coastal Patrol, shall be placed under the unified command of a Supreme Commander designated by the United States government.

Japanese armed forces, if or when established, or any branch, arm, or contingent thereof, including the Japanese Coastal Patrol, shall not engage in any form of combat operations outside the territories of Japan except when and as directed by the aforesaid Supreme Commander.

15. Relationships with Third Powers

Japan shall not grant, without the prior consent of the United States, any bases or any rights, powers, or authority whatsoever, in or relating to bases or the right of garrison or of maneuver, to any third power.††

††See Art. xxv of the Agreement between the United States of America and the Republic of the Philippines Concerning Military Bases, March 26, 1947. [Footnote in the source text.]
[It is not considered appropriate that the present agreement contain prohibitions with respect to the flow from Japan of supplies of strategic materials and equipment to countries or areas which are currently denied such supplies from United States sources as a result of the policy announced in NSC 48/2, 30 December 1949, and reflected in existing domestic export limitations. The Department of State will, however, take steps informally to secure from the Japanese Government adherence to the United States view with regard to this matter. The Department of State should adopt the approach heretofore utilized in its negotiations with other friendly nations on the subject.]

16. Costs of Garrison

[It is contemplated that, at a later date, a provision will be inserted for the purpose of defining the relationship of the Japanese government to the matter of garrison costs incurred by the United States during the post-treaty period. Inclusion of this provision awaits completion of studies instituted pursuant to Presidential order.]

[Production in Japan of Defense Items Heretofore Prohibited

It is not believed that the present agreement on security should contain prohibitions with respect to the production in Japan of defense items heretofore prohibited.

Japan should be permitted, moreover, to resume productive use of primary war facilities in the manufacture of combat equipment and products, and also to resume production in secondary and war-supporting industries. It is felt that resumption of this production will automatically be influenced by the peaceful needs of the Japanese people.]

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2 Brackets in the source text.

794.5/10–3150

Memorandum by the Deputy Director of the Office of Northeast Asian Affairs (Johnson) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

CONFIDENTIAL

[WASHINGTON,] October 31, 1950.

Subject: Financing of Increased Troop Strength in Japan

There is quoted below the full text of an item appearing in Tokyo's Weekly Economic Notes of October 13 on the above subject. If the opportunity arises, I recommend that we strongly support, at least,

1 Not printed.
partial “pay-as-you-go” for the support of our troops in Japan pending the conclusion of a peace treaty.

"Plan To Finance Augmented Troop Strength in Japan as Occupation Cost"

At recent meetings of top military leaders in Tokyo it has been tentatively agreed that, when the withdrawal of U.S. troops from Korea occurs, a sufficient number should be stationed in Japan so as to provide the complement of troops long called for but not made available; the number would exceed the former totals in Japan by some fifty percent. The important question of local financing for the additional logistic support required has also been discussed. It was decided that to provide separately on a dollar pay-as-you-go basis for the additional troops, supporting only about the original numbers through the currently used Termination of War Account supported by the Japanese Government, would be impracticable. It was accordingly determined that all troops should be provided for through termination of war accounting, as a cost of the occupation. It is reliably estimated that the annual cost to the Japanese Government for support of occupation troops has averaged ¥80–90 billion annually and that the augmentation of troops under the new plan would require an additional ¥50–40 billion annually, making support of occupation troops the largest expenditure in the national budget. Some officials of Economic and Scientific Section (ESS), General Headquarters (GHQ), SCAP, attending the meetings, have stated that this added budget expenditure would not only be a strain on Japanese Government finance, but, from a number of considerations, would at this time seem politically most unwise. Assuming the augmentation of forces in Japan to be a policy and military matter outside their proper jurisdiction, they have suggested that a simpler financial scheme far more acceptable to certain Occupation agencies and to the U.S. Government would include the elimination of GARIOA funds for Japan and, as an offset, placement of all Occupation costs on a pay-as-you-go basis, thereby simplifying accounting procedures and providing an approach far more palatable to the Japanese. It is believed that the Japanese Government would welcome this type of approach and, has, in fact, studied the problem of aid from the United States in the post treaty period in relation to dollar gains to be made from residence of U.S. troops in bases in Japan. Some Japanese officials tentatively estimate that exchange receipts from U.S. Government military outlays in the post treaty period may approximate 70 million dollars. The Mission considers the plan to augment forces in Japan at this time a many-faceted problem deserving extremely careful scrutiny prior to implementation. It is possible that opposition to these proposals will be expressed in some military quarters of GHQ as they reluctantly accept the inevitability of an early peace treaty with Japan."

The foregoing information from Tokyo was transmitted for Department use only and accordingly we must protect Tokyo in making any use thereof with other agencies of the Government.

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*For further pertinent documentation, see the paper cited in the editorial note under date of October 15.*
Memorandum by the Deputy Director of the Office of Northeast Asian Affairs (Johnson) to the Director of that Office (Allison)

CONFIDENTIAL

[WASHINGTON,] November 6, 1950.

Subject: Attached British Note

In regard to the attached British note,¹ a copy of which was left with me shortly after the original had been handed you, it is assumed that you and Mr. Dulles either will reply to the British directly or, if you wish the Department to reply, that you will give us your views.

It appears to us here in NA, and to Mr. Hamilton, that we should not agree to make the Working Party Report, prepared six months ago and reflecting all degrees of agreement and disagreement among the considerable number of nations which participated, the vehicle for the further expression of our treaty views. It is believed that the British should be advised, in effect, that their proposal would seem to constitute a retrograde step in view of the recent submission of our views to them for comment; that we assume that the views of the Commonwealth nations have changed in some respect since last May; and that we are prepared to clarify any portions of the summary statement of U.S. views handed them in September on which they wish further details, as we have already done for the Australian Government.²

¹In this aide-méméoire, apparently of November 2, not printed, the British Embassy had stated the United Kingdom found it difficult to contribute to the informal talks then in progress until American views were more sharply defined than in the 7-point memorandum of September 11 handed to Sir Esler Dening on September 22. The Embassy asked for comments of the United States on the Working Party Report, particularly in regard to major points on which views in it diverged from views of the United States and in regard to the importance attached by the United States to the divergencies.

²In its reply of December 20 to the document cited in footnote 1, the Department stated that the Working Party Report, because it reflected degrees of disagreement as well as agreement among the drafting nations, was a difficult vehicle for further United States comment. In general, the divergence between the United States view and that of the agreed portion of the report lay in the omission from the 7-point statement of matters which Commonwealth nations apparently wanted included in a treaty. “As was made clear at the time Mr. Dulles handed the United States paper to Sir Esler Dening in New York, those matters which are not included in the United States paper are matters which in the opinion of the United States Government should not be included in a peace treaty with Japan.” The Department offered to clarify in detail those subjects covered in the 7-point summary. (694.001/11-250)

MacArthur Memorial Library and Archives: Record Group 5: Telegram

The Supreme Commander for Allied Powers (MacArthur) to the Department of the Army

SECRET PRIORITY

Tokyo, November 11, 1950.

C-68770. Personal for Major General Magruder. Reference your message 031820 Z. My concern over the draft agreement contained in
your message unnumbered of October 30th ¹ is that it requires surrender of Japan’s sovereign rights to an unnecessary and provocative degree. It has always been my view that the retention of our forces in post-treaty Japan must either rest squarely upon an unfulfilled condition of the surrender terms, thereby making such retention mandatory upon Japan, or it must rest upon a voluntary accord based upon the desire and freely given consent of the Japanese people. The draft agreement appears to be based upon neither. It partakes of a voluntary accord in the sense that it is not a part of the treaty of peace but collateral thereto, and yet it exacts from the Japanese the surrender of fundamental aspects of sovereignty through partial cession to the United States of the right of eminent domain, reserving to the United States the unilateral right to terminate the accord, and subordinating to the United States post-treaty Japanese armed forces. The impingement upon sovereignty reflected in these enumerated conditions, even if accepted by the Japanese in the first blush of a restored national freedom, would provide the basis for such destructive appeals to national sentiment, both from within Japan and without, that a restiveness would inevitably ensue. This would foster in the Japanese mind resentments which could well be fanned by subversive elements into popular Japanese hostility toward our continued presence upon Japanese soil. In such an eventuality we would be confronted with the necessity of decision as to whether to withdraw our troops or to maintain them in Japan by force. Whether we withdrew under pressure or remained by force, our political position would become untenable.

The solution as I see it would be to have Japan committed under the treaty of peace to place full reliance for her future security in the United Nations acting in collaboration with the Government and people of Japan, and to this end to agree to abide by such reasonable and logical terms and conditions as the United Nations or its duly deputized executive agency might determine as essential thereto. That pending development of the necessary security machinery and formulation of such mutual agreements as may be necessary to insure the security objective, existing arrangements under which United States Forces safeguard Japan’s security would continue without modification, other than that the principle of “pay-as-you-go” would be effective insofar as reasonable and practicable, that new facilities for garrison and military exercises would be subject to mutual agreement, and that the security forces, exercising no political power over Japan whatever, would occupy as nearly as possible the relationship vis-à-vis the Japanese people as normally exists between the American Forces stationed within the continental United States and the American people. This

¹ This message contains the text of the attachment to Major General Magruder’s memorandum to Mr. Rusk dated October 30, p. 1336. A copy of the unnumbered message of October 30 is in MacArthur Archives, RG 5.
would insure the continuity of existing defense provisions without imposing upon the Japanese politically offensive requirements calculated to generate unrest leading to possible hostility. Signed MacArthur

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs to the Deputy Director of that Office (Johnson)

SECRET

[WASHINGTON,] November 14, 1950.


PolAd’s attached despatch 1 confirms information from other sources that the Japanese public is attaching extraordinary importance to the disposition of the Ryukyu and Kurile Islands, and to a lesser extent the Bonins and Volcanos, in the treaty. The Socialist and Democratic Parties have placed themselves formally on record as opposing any treaty provisions surrendering Japanese sovereignty over territories “historically and racially Japanese.” The Liberals have been more cautious, aware that a Liberal Party administration may be called upon to sign a treaty containing distasteful territorial provisions. However, Government spokesmen members of the party have on several occasions asserted Japan’s claim to continued sovereignty over the Ryukuyus and Kuriles.

The growing popular sentiment is attributed by PolAd to spontaneous emotional feeling, fanned by such organized groups as the Association for Reversion of Okinawa to Japan and the Bonin Island Repatriates Revival League. Another factor which might be cited is that the Japanese, crowded back into the main islands, are instinctively reluctant to lose additional territory even though that territory already be already over-populated (the Ryukyus) or, except for the Lesser Kuriles, largely worthless. Probably also the imputation that the islands, long ago acquired by predominantly peaceful processes, were unjustly seized by “force or violence” rankles. PolAd goes so far as to say

"While there are those who believe that the (Liberal) Party would be able to survive, at least as one of the dominant parties, if not as the party in power (if it accepted a treaty detaching these territories), there are others who believe that such an eventuality would lead to its virtual collapse as a political force . . . In taking political advantage of the irredentist sentiment of the Japanese people, the political groups seeking to succeed the Liberals in power would, whatever their original feelings toward the United States, adopt policies with marked anti-American overtones. Such a situation, by fanning the sparks of anti-American feeling already latent among the people as a result of a prolonged military occupation and a distasteful treaty,

1 No. 628, October 26, 1950, not printed (694.001/10-2650).
could not but be productive of hazards to continued friendly relations between Japan and the United States."

In the circumstances PolAd believes that the territorial provisions of the treaty should be most carefully considered. Specifically he believes that the Allies should "explore the feasibility . . . of territorial provisions which, while allowing the retention of effective control over such areas as may be dictated by security considerations, would avoid the appearance of an outright alienation of sovereignty from Japan, with a consequent rise of irredentism of considerable and possibly dangerous proportions." In advancing this suggestion he appears to have in mind the statement of a Foreign Office official to a member of the Mission that while the Liberals' preference would of course be that the Ryukyus be returned to Japanese sovereignty, the U.S. retaining strategic control and military bases there in the same manner that it will have bases in Japan proper, the Party might as a bare minimum risk signing a treaty which recognized in principle Japan's right to sovereignty, even though some such arrangement as a trusteeship might temporarily replace sovereignty.

As you know, Mr. Dulles when he first assumed primary responsibility for the treaty expressed doubts about the advisability of detaching the Ryukyus from Japan, and said that he planned to reexplore the necessity for so doing with the military. He later indicated, however, that the earlier position was unchanged, and it was further confirmed, along with the Bonins and Volcanos, in the State-Defense joint memorandum signed by the President on September 8. The suggestion that the U.S. keep bases in the Ryukyus under the same arrangement as in the main islands has always been met by the military reply that we must be able to count on holding the Okinawa base permanently. Even accepting this position, however, it has never as far as I know been satisfactorily explained why we must control the whole land area south of 29° N. Lat. permanently. Admitting the need for radar stations and the like some distance from the main base, why do we have to control the land and people in between? At most why should we require greater rights than the very broad military rights we will be acquiring in the main islands, where we have nevertheless not considered it necessary to take over the government of the country? In spite of all that has transpired, and that the military would charge us with reopening an issue already decided by the President, I believe we should insist that the military give us convincing reasons why we should not either (1) seek the same military rights in the Ryukyus as in the main islands, but on a permanent basis, or (2) seek a 99 year lease of the particular areas in the Ryukyus that we require, leaving the rest under Japanese ownership and administration.

*See memorandum for the President, September 7, p. 1293.*
If you have time I suggest that you read the marked passages in the second to last enclosure to the despatch, containing an unusually pointed and well reasoned petition by Okinawan residents in Japan, and of the last enclosure, a pathetic petition by former residents of the Bonins.3

3Neither printed.

Mr. Johnson forwarded this memorandum and despatch No. 628 to Mr. Rusk with his own memorandum of November 17, in which he said in part:

"As you know, in spite of the Secretary’s Press Club statement and the "Treaty Memo" approved by the President, I strongly feel that we should not consider the Ryukyus trusteeship question as entirely closed, but, when the bilateral military agreement with Japan is firmed up, raise with the Pentagon the question as to whether its extension to the Ryukyus would not give them everything that they require. The bilateral military agreement is going to be a heavy shock to the Japanese, and this combined with the loss of the Ryukyus may well eventually constitute too heavy a strain on the present overwhelming pro-American sentiment in Japan." (694.001/10-2650)

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

CONFIDENTIAL

LONDON, November 15, 1950—4 p.m.

2835. Department’s A–568, October 19.1 Yesterday afternoon we reviewed with Bevin general question of need for increased Japanese participation international relationships. In presenting Department’s views mention was made of previous US efforts obtain British coordination along these lines. Point was stressed that if we are to hope that Japan become democratic bulwark in Asia we should foster maximum political and economic stability in Japan and draw it into closer contact with western nations. Bevin was asked whether he would agree in principle to desirability of extending MFN treatment to Japan and if so whether he would instruct his experts discuss details with US delegation Torquay.

In rambling reply Bevin said he would of course give matter thorough consideration although there were many obstacles in way. Referring to MFN agreement with Germany he pointed out UK had representation there and was in position exert pressure if Germany

1In this airgram the Department had said in part: "While it is recognized that the prospect of Japanese commercial competition presents at least in the short run a problem for the British, the British must face the realities of the situation and be prepared to meet Japanese competition if Japan is to be kept oriented toward the West and free from Communist pressures." The Department had instructed the Embassy to speak with Mr. Bevin and urge British acceptance of most-favored-nation treatment for Japan on a reciprocal basis, eventual British support of Japan's admission to GATT, British approval of Japanese overseas agencies in the United Kingdom and its colonies, and British acceptance of Japanese participation in international conferences and agreements of a technical character. (694.001/10-1960)
misbehaved. In Japan things were different; UK was without authority in Japan and there had been built up in popular mind a belief that SCAP was a law unto himself and furthermore as a manufacturing nation UK could not but view with concern resurgence of Japanese competition and Lancashire was becoming alarmed over indications that preference was being shown Japan with respect to allocations of US raw cotton, a tendency which if not checked might result in Lancashire not being given sufficient for its needs (Embassy understands that there may have been some basis for such a reaction a month ago but it is obvious he was not in possession of latest information this subject). Bevin said he realized necessity of doing something for Japan but he felt UK would not be willing pay too high a price. Before considering MFN for Japan he would like fuller information present status this question.

Embassy is undertaking in consultation with US delegation Torquay supply Bevin with desired background information.

Sent Department 2835, repeated information Torquay 80.

Douglas

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*In a memorandum, handed by Mr. Tomlinson to Mr. Allison in New York on November 3, the British Embassy had stated in part the United Kingdom desired an acceleration of the treaty-making process and viewed as tactically unwise any relaxation of controls then imposed on the Japanese Government. In the United Kingdom's view "... it would be undesirable for Japan to have reached such a measure of freedom from controls that the signing of a Peace Treaty would amount to no more than a legal recognition of a state of affairs already existing, and it is accordingly the hope of His Majesty's Government that the United States Government will use its authority to dissuade General MacArthur from unilateral acts which would bring about any further removal, or loosening, of the remaining controls." (694.001/11-350)

In its reply of December 20, the Department stated that, since at best final consummation of a treaty might take some time, Japan should be encouraged (to an extent consistent with FEC decisions) to take more responsibility in its own affairs and to participate in constructive bodies such as WHO, FAO, and UNESCO. Controls which had been placed upon the Japanese by the occupation authorities themselves, and not as the result of specific FEC policy decisions, should be relaxed. (694.001/11-350)

No comment was made on the reference to General MacArthur.

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Lot 56927

The Consultant to the Secretary (Dulles) to the Commander in Chief of the United Nations Forces (MacArthur)

SECRET


PERSONAL AND CONFIDENTIAL

My dear General MacArthur: I assume you get official reports as to what is going on, but perhaps at this juncture a few personal impressions might be acceptable.

We have completed here, at the United Nations General Assembly; private conversations with all of the other members of the F.E.C.
Australia, New Zealand, the Philippines and Burma have all raised objections to the absence of military restrictions. However, I think that Australia and New Zealand will give way if we can find some formula for assuring them of U.S. protection in the event of attack. We talked this over with Spender before he returned. The State Department is studying the problem, and I think it ought to be possible to find a formula—perhaps a Presidential Declaration—which would be mutually acceptable to our three countries and clear the way, as far as Australia and New Zealand are concerned, for the type of Treaty that you, and we, want.

The Philippines, China, Burma, Australia and New Zealand have all raised the question of reparations. They would, of course, like some. But I think they realize that they are up against a practical impossibility. We have in mind using our GARIOA obligations as a bargaining point in this connection, but have not yet felt it necessary to raise this point.

The U.K. has not made any particular comment on our suggestions, but we judge that their principal concern is with the impact of Japanese commercial competition during the post-Treaty period.

I had a most interesting talk with Jacob Malik (USSR). He came up to my house in the evening and we talked for a couple of hours. You may have gotten the Memorandum of Conversation prepared by Colonel Babcock, who accompanied me. He was guarded in his comments, but made clear that the Soviet Union would strongly object to any treaty language which cast doubt upon the present Soviet title to South Sakhalin and the Kuriles and China’s title to Formosa. Also, he questioned the U.S. right to “trustee” the Ryukyus in our favor, saying that, whereas the Yalta agreement had dealt with the Kuriles, nothing had been said about the Ryukyus. He suggested that the Ryukyus were the “small islands” which would be left with Japan. Also, he said that if we continued on at Okinawa and had the right to garrison forces in Japan that would “leave the situation no different from what exists at present”. I have no doubt but what Communist propaganda in Japan will emphasize the Soviet desire to restore the Ryukyus to Japan.

I don’t know whether the Russians will continue to talk with us about the Japanese Treaty. That procedural question has been referred back to Moscow. My guess is that they will probably keep in touch with us for a time, if only to get information. They might even attend a preliminary peace conference if one were called. I think it

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1 Possibly a reference to a conversation held between Messrs. Spender, Rusk, and Dulles at the Plaza Hotel in New York City on October 30. No memorandum of this conversation has been found in State Department files. For Spender’s account, see Exercises in Diplomacy, pp. 63–67.
2 Of October 26–27, p. 1332.
most unlikely, however, that they would ever agree with the kind of a peace treaty that we want.

Our own ideas about future procedure are not yet firm. I am rather inclined to favor carrying on with further bilateral talks and not risk a conference where the allies are divided about substance and where they would be almost equally divided as between Communist and Nationalist Chinese participation, and where the Russians might foment increasing discord. I think we can probably get into pretty close agreement, as between most of us, by continuing bilateral talks.³

However, one thing that I think should be done soon is for me to go to Japan and have a thorough talk with you. I thing it extremely important to get your judgment first as to whether in the light of the new Korean and Chinese Communist developments, we should push on steadily for the Japanese Peace Treaty. If so, I think we should quite soon, chiefly through you, ascertain that the Japanese political leaders would, on a non-partisan basis, accept the kind of a Treaty we have in mind. If we can get as a fixed and solid point, U.S.-Japanese agreement, then I think that the others, except for the Soviet Union and Communist China, will come into line if we combine firmness with some placating modifications which will be of form rather than of substance.

There is also, I think, need now of a small bi-partisan Congressional group that will concern itself with the Japanese Treaty problem and with which our negotiators can keep close contact with a view to assuring harmony with Congress.

I flew out to Grand Rapids last Sunday and had a good long talk with Arthur Vandenberg. He is still rather frail, but I had the impression that he is somewhat better than when he left Washington. We talked together quite a bit about you and the Far Eastern situation. I hope that the viewpoint you represent will be more heeded as a result of the Republican shift in Congress. There is, however, a rather noisy newspaper group which supported the Republicans and which is beating the drums for reckless action which would involve us deeply in war on the mainland of Asia. You produced a miracle on the land in Korea, but I doubt whether you would feel that that proves that we should make the Asian mainland the area for the testing of the relative strength of the free and Communist

³In his memorandum of a conversation held with the President, November 16, the Secretary stated in part:

"At this point, Mr. Dulles joined the President and me. He gave the President a 20-minute report on his discussions in New York regarding the Japanese peace treaty. The President listened closely; expressed his approval of what Mr. Dulles had done, and he authorized us to continue the discussions after the representatives in New York had received instructions from their governments, and then come back to the President sometime in December for a full discussion of the next step to be taken and a list of the decisions to be made." (Lot 65D238)
world. My view, and my impression of yours, is that sea and air power must in the Far East be our main reliance.

We are all deeply concerned with the new burdens that the North Korean situation puts upon you after you had done the job of wiping out the North Korean armies. I think, however, you can be confident that the nation is prepared to accept what you feel to be the answer to this new problem.

If you have time, now or later, I hope you will let me know of any thoughts you have on the Treaty or other matters, as I want the benefit of that.

With very kind regards to Mrs. MacArthur, in which Janet joins, I am

Faithfully yours,

JOHN FOSTER DULLES

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694.001/11-2050

Unsigned Memorandum of Conversation From Departmental Files

SECRET

[NEW YORK,] November 20, 1950.

Subject: Japanese Peace Treaty

Participants: Mr. Yakov Malik, USSR Delegation
Mr. Troyanowsky, USSR translator
Mr. John Foster Dulles, USA Delegation
Mr. John M. Allison
Colonel C. Stanton Babcock

The conversations were characterized by a very definite attempt on Mr. Malik’s part to create a friendly atmosphere. In contrast to the meeting held on October 26, during which his attitude while not unfriendly was thoroughly business-like, Mr. Malik spent the first five or ten minutes joking and talking about mutual friends and acquaintances. Once or twice during the course of the discussion he digressed to talk about generalities and seemed to make an effort to engage each member of the U.S. group in a brief personal conversation. He gave the impression of wanting to avoid detailed discussion of points on which the United States and the Soviet Union were in disagreement.

Mr. Malik began the proceedings by having Mr. Troyanowsky translate orally an Aide-Mémoire which consisted of six questions pertaining to the expression of United States views in regard to a Japanese

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1 The format of the original is similar to that of several other memoranda of conversation signed or initialed by Colonel Babcock.

2 On November 24 the Soviet Government released in Moscow the texts of this aide-mémoire and of the United States seven-point memorandum of September 11. The United States thereupon released text of the latter and an unofficial translation of the former, also on the 24th. Both are printed in Department of State Bulletin, December 4, 1950, p. 881.
Peace Treaty as contained in the memorandum furnished by the United States to each member nation of the Far Eastern Commission. (A translation of the Aide-Mémoire is attached hereto as an enclosure.)

After the reading, and after Mr. Malik had handed the Aide-Mémoire to Mr. Dulles, the latter asked if Mr. Malik expected an oral reply or would prefer a formal written memorandum in answer to the questions contained in the Aide-Mémoire. Mr. Malik said that he preferred to have the answers in writing.  

Mr. Malik then asked Mr. Dulles what his views were with regard to the question concerning participation by the “Central Chinese People’s Government” in the discussions of a Japanese Peace Treaty. Was the United States prepared “to accept the possibility that a Peace Treaty could be signed without the participation of the Central Chinese People’s Government?” Mr. Dulles replied that the conversations held so far had been diplomatic conversations and that, therefore, the United States had held discussions with the Nationalist Government as the government which this country recognizes. As to future procedure, Mr. Dulles said that he would prefer to answer that question after he had had an opportunity for more consideration of the matter.

At this point there ensued some discussion as to the numbering of the questions. The United States participants had been under the impression that the question under discussion was No. 7. Mr. Malik pointed out that the question was the “second part” of No. 6 and seemed to feel that there was a connection between the first part of No. 6 (dealing with unrestricted trade for Japan), and the second part (dealing with Chinese Communist participation in the Treaty).

Mr. Dulles then reminded Mr. Malik that, with respect to that part of question No. 2 which refers to the disposition of southern Sakhalin and the Kuriles, he had explained the United States position on this matter during the previous conversation (October 26, 1950).

Mr. Allison then asked Mr. Malik for an explanation of the meaning of the first part of question No. 6. Mr. Malik replied that the USSR wanted to know whether the United States felt that in the post-treaty period Japan should have unrestricted opportunities for peaceful trade and access to raw materials. He said that there was nothing in the United States Memorandum which indicated the United States views on this subject.

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Text of the American reply, delivered to Mr. Malik on December 27 and released to the press December 28, is printed in Department of State Bulletin, January 8, 1951, p. 65.

File 694.001 for December 1950 contains a number of documents that pertain to the drafting and clearance of the reply.

For memorandum, see p. 1325.
Mr. Malik, before leaving, said that there might be other points on which the USSR would want clarification, and that he would perhaps submit further questions after the United States had received replies from some of the other governments concerned.

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Lot 53D444

Memorandum of Conversation, by the Special Assistant to the Secretary (Battle)

SECRET

[WASHINGTON,] December 1, 1950.

The Secretary told me today that in his conversation at the White House yesterday he had mentioned to the President that we were considering possible steps to bring about action in the Far East responsive to the needs of the moment. He said he mentioned for the President's information only, and not for decision, that we were considering some action which might be taken in Japan along the lines taken in Germany by the Occupying Powers giving greater authority to the Government of Japan. He also said [we?] were considering the question of some declaration which might be made of the United States' interest in the security of Australia and New Zealand.

L[UCIUS] D. B[ATTLE]

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694.001/12-250

Memorandum by the Director of the Office of Northeast Asian Affairs (Allison) to the Consultant to the Secretary (Dulles).

TOP SECRET

[WASHINGTON,] December 2, 1950.

Subject: Japanese Peace Treaty

I have been thinking over our conversation yesterday with particular reference to that portion in which you suggested we should make an immediate study of Far Eastern Commission decisions and the surrender instrument with Japan with a view to ascertaining how far we can go without a Treaty toward giving Japan freedom of action in local and international affairs, I believe the time has come and the situation is so serious that more drastic measures are necessary. In my opinion, attempts by the United States to give Japan a larger degree of freedom than she now possesses within the limits of existing FEC policy decisions would not only be extremely difficult, but would expose us to a charge of insincerity by our allies and would not, in fact, get the results desired. Exhaustive studies have been made as to what can be done within the framework of present FEC directives and they
have shown it is comparatively little. Also, General MacArthur has vigorously opposed this conception. I do not believe the Japanese would be satisfied with what we could do in this limited way. Therefore, serious consideration should now be given to going to our friends on the FEC and pointing out frankly and forcefully that the present situation is so serious and present conditions so utterly different from those contemplated at the time the Far Eastern Commission was set up, that we are no longer in a position to abide by the terms of reference of the Far Eastern Commission or its previous decisions. This would be an honest straightforward position to take, and I believe would be understood by our friends. We would naturally want to assure them that we have no intention of allowing Japan to become a threat in any way to this interest, and that we would take steps to see that such a situation did not develop.

I believe we would then be in a position to recommend to them that they acquiesce in our desire to bring Japan back into our family of nations as a free and independent member, with which we could make agreements for military assistance on a basis of equality in an attempt to get Japan on our side voluntarily and not by force. In my opinion, we should endeavor to get the Japanese to agree, with respect to their own defense and the defense of the Japan area, to furnish ground forces (the U.S. furnishing ground forces only until Japanese forces could take over) while the United States and such other of our allies as agreed with us and would come in on our terms, would furnish air and naval forces. The fact that Japan would not have air or naval forces would go far; it seems to me, toward reassuring our allies that Japan would not be in a position to threaten their interests, and that the arrangement would be one primarily for defense of Japan and the Japanese area. This agreement should be couched in U.N. Charter

1 In a memorandum to Mr. Johnson of December 4, 1950, Conrad E. Snow, Acting Assistant Legal Adviser for Far Eastern Affairs, reviewed relevant international agreements and FEC directives and concluded in part: “If a massive military invasion is to be anticipated, self defense would require the creation of a Japanese army, properly trained and equipped. There is no way, within the framework of the Far Eastern Commission directives, that this can be done.” Such a step would require SCAP to act against United States directives issued in accord with FEC decisions or the United States to issue new directives in excess of authority granted by the Moscow Agreement. “In such an event it might be advisable for the United States to denounce parts of the Potsdam Declaration and the Moscow Agreement. Such a denunciation could be based on a declaration that both of these instruments . . . were based on an assumption that a new order of peace, security and justice had come into the world, and that there existed no possibility of either of the co-signers, China or the Soviet Union, threatening Japan with aggression.” Mr. Snow advanced as a final reason for denunciation his opinion that Japan would not be free to amend Article 9 (renunciation of war and armed forces) of the Constitution of 1947 until released from its undertaking (in the Instrument of Surrender) to carry out in good faith the terms of the Potsdam Declaration and to take whatever action required by appropriate Allied authorities for the purpose of giving effect to that Declaration. (704.001/12-450)
terms in so far as possible and consideration might well be given to having Japan become a co-signatory of any possible mutual defense arrangements which might be entered into with New Zealand, Australia and the Philippines.

With the exception of the preceding sentence, which he has not seen, Colonel Babcock concurs with the above.

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**Editorial Note**

Prime Minister Attlee and President Truman met in Washington from December 4 through December 8, 1950. At their first meeting on the afternoon of the fourth the two heads of government mentioned several issues connected with a Japanese peace treaty. The record of this meeting is scheduled for publication in volume III.

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**Memorandum by the Director of the Office of Northeast Asian Affairs (Allison) to the Consultant to the Secretary (Dulles)**

**TOP SECRET**

[WASHINGTON,] December 7, 1950.

Subject: Japanese Peace Treaty

There is attached a rather hastily dictated memorandum setting forth some of the more urgent matters I believe we should consider in connection with our next step toward a Japanese peace settlement. The attached memorandum is not in any sense a complete statement of all factors to be taken into account, and as I read it over I can see obvious omissions. However, I am forwarding it in the hope that it will be suggestive and that it may elicit comments which will help us to make progress.

[Attachment]

**TOP SECRET**

[WASHINGTON,] December 7, 1950.

Japanese Peace Treaty

The following factors must be considered in making a decision as to whether or not to proceed in some manner with bringing about an end of the state of war with Japan:

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1 In his memorandum of the Secretary's morning meeting of December 7, Mr. McWilliams stated in part: "Mr. Rusk reported on the Japanese Peace Treaty. He said that we still have hopes of pursuing the treaty but we are considering two steps in the interim to improve the situation. The steps are: (1) transfer of more authority and responsibility to the Japanese; and (2) a declaration ending the war with Japan which would be followed by a treaty of friendship, commerce and navigation." (Executive Secretariat Files)
I ASSUMPTIONS

A. It is vital to the security interest of the United States to keep Japan out of the Communist camp and on the side of the United States and the West.

B. This can only be done by convincing the Japanese that it is in their interest to be on our side and that we have the ability and willingness to protect them from the obvious risks they take in aligning themselves with the United States.

C. United States military commitments in Asia should, in so far as possible, be limited to air and naval power plus supply of equipment and munitions.

II TO BE DETERMINED

A. Is the United States, with or without allies, going to maintain its stand that aggression cannot be allowed to succeed and therefore:

1. Formosa will not be allowed to fall to Chinese Communists?
2. Chinese Communists will not be seated in the UN?
3. We will not leave Korea, unless driven out militarily, before UN objectives are accomplished?

B. If answers to above questions are in the affirmative, can and will the United States take the necessary steps to:

1. Increase air and naval power in the Far East sufficient to assure keeping Formosa out of Communist hands?
2. Proceed to go on a war footing domestically in order to regain in as short a time as possible the relative power position we had in 1945?
3. Create some sort of mutual assistance pact among the Pacific nations (Australia, New Zealand, Philippines and U.S.) which Japan could join at a suitable time and which would have the dual purpose of defending Japan from Communist aggression and assuring our friends that Japan would be on their side and not a menace to them?

III ACTION TO BE TAKEN

A. Policy Decisions to be Made. Consideration must be given to the effect of positive action restoring Japan to the family of nations on prior United States commitments under such instruments as the Potsdam Declaration and the Basic Post-Surrender Policy which was approved by the Far Eastern Commission in terms which imply that it was more in the nature of a governmental agreement than an ordinary FEC policy decision. Determination of how far we can go and the direction to go must be made at the earliest possible moment so that we can proceed with the steps outlined below.

B. Congressional Consultations. These should be undertaken at once with a view to obtaining Congressional approval for whatever action is necessary to enable the United States to take a stand in Asia and with Japan which will assure Japan’s being on our side. Such action
might include going ahead with a peace treaty in the conventional sense or having the Congress by joint resolution declare the ending of the state of war with Japan. The latter possibility under present conditions seems to have much to recommend it and should be thoroughly explored.

C. FEC Consultations. Consultations should be held at an early date with friendly members of the FEC, perhaps in a body, to tell them of our thinking and to endeavor to gain at a minimum their passive acquiescence and at a maximum their active support.

D. Consultations with Japanese. At an early date high level representatives of the United States Government should proceed to Japan for consultations with Japanese leaders to determine how far they are prepared to go in cooperating with the United States.

E. Relaxation of SCAP Controls. Concurrently with taking the above steps, the United States should take steps to reduce the impact of SCAP GHQ on Japanese political, economic and social life.

F. Increase of Internal Security in Japan. Concurrently with the above two steps, the United States should take active steps to increase the size and power of Japanese Police and Coast Guard.²

G. Increasing Japan’s Industrial Potential to Fight Aggression. All necessary steps should be taken to make it possible for Japan’s industrial power to be used by the United States and its allies, as well as Japan, for the building up of the forces necessary to resist Communism. This will require consideration of FEC restrictions on production for military purposes.

IV STAFF NECESSARY

In order to accomplish the above, there should be set up a small, high-level staff under Mr. Dulles which will be given authority from the White House to make all necessary studies and submit recommendations for final action. During the process of formulating final recommendations, this staff should consult all offices, departments and agencies concerned but should not be required to obtain clearances at each step. Within the broad framework of the Acheson–Johnson Memorandum to the President of September 7, 1950, and NSC 13 ³ the staff should be given complete freedom of action. There should be a representative of the Defense Department on the staff.

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² In the memorandum cited in footnote 1 on p. 1355, Mr. Snow had stated: “While the construction of naval combatant vessels is prohibited, . . . it may well be assumed that the provision for an adequate civilian police force [in FEC 617/20, February 12, 1948] includes provision for an adequate civilian coastguard, armed with rifles and pistols. The word 'rifle' is unqualified in the FEC directive, and might well include high-powered repeating rifles.”

³ NSC 13/3 was then the current policy paper.
Memorandum by the Consultant to the Secretary (Dulles) to the Secretary of State

[WASHINGTON,] December 8, 1950.

I am attaching a memorandum on Japan prepared with the concurrence of Mr. Allison and Colonel Babeck.

JOHN FOSTER DULLES

[Attachment]

[WASHINGTON,] December 8, 1950.

JAPAN

Japan is, with Germany, one of the two great assets that the Soviet power seeks for exploitation in aid of its aggressive policies. It is important, if practicable, to prevent that. However, recent developments in Korea make it doubtful whether Japan can be relied upon to form a dependable part of the non-communist world. It is important to seek to resolve that doubt in our favor.

Accepting this as a premise, the following course of action is suggested:

1. There should be a prompt effort definitely to commit Japan, spiritually and politically, to the cause of the free world. In this respect, time is of the essence. The United States still possesses prestige in Japan and the full political and military implications of the Korean defeat are not yet apparent. There is probably more chance of mobilizing Japanese public opinion and getting a Japanese commitment now than in a month or two. Delay and inaction may count heavily against us.

2. It cannot be known now what precise pattern of action is best calculated to achieve the desired result. That can only be determined by survey on the spot.

Such a survey may disclose that there is no reasonable chance of success. If so, the quicker this is known, the better, as it will have an important bearing upon our policy and our dispositions elsewhere.

If Japan is willing on certain terms to accept commitment to our cause, then these terms should be ascertained to see whether the price is practical and worth paying.

Any such commitment by Japan would probably involve, in general, a basic decision by the U.S. to seek to maintain and defend the island chain of Japan, Ryukyus, Formosa, and the Philippines and, in particular, a certain commitment to Japan in terms of sea and air power; certain economic assurances and a prompt restoration of Japanese sovereignty through a treaty of peace or a declaration of peace.

The question of whether Japan would deal alone with the United States in respect to peace or would insist upon other of the Allies
coming along and if so, which, and their attitude toward Chinese Communist participation would have to be ascertained.

It may be necessary to have a Pacific Pact, initially of Japan, Australia, New Zealand, the Philippines, the United States, and perhaps Indonesia.

3. It is no longer practical to work out from here what is, to us, the best arrangement and to take the time that would be necessary to clear this with the various departments concerned, State, Defense, Attorney-General, Commerce, Treasury, etc., before dealing with Japan. The only practical procedure is to send to Japan a mission, which, bearing in mind U.S. capabilities and objectives, legal, economic, and military, would ascertain what, if any, arrangement were feasible.

Such a mission should, of course, to the extent practical, first exchange views here with the representatives of other friendly governments, so that their viewpoint would also be in the mind of the mission. But just as it is impractical now to reach an advance agreement among our different U.S. departments, so it is impractical now to reach a full advance agreement with our Allies.

4. The mission should have broad Presidential authority, with the cooperation of General MacArthur, to negotiate ad referendum the broad lines of an arrangement, if it seemed to it that something acceptable was possible. The mission should include persons who are familiar with, and would responsibly take into account the attitudes of, the different departments of government, particularly State and Defense, and also the attitudes of our Allies, so as to afford a good chance that any arrangement made would be finally accepted.

790.5/12-1250

Memorandum by the Regional Planning Adviser in the Bureau of Far Eastern Affairs (Emmerson)

TOP SECRET

[WASHINGTON,] December 12, 1950.

PACIFIC DECLARATION

PROBLEM

1. To obtain the agreement of Australia, New Zealand, the Philippines, and possibly Canada and Indonesia, to the issuance by these powers and the United States of a Pacific Declaration along the lines of the draft text attached.

ANALYSIS

2. Recent developments in Korea have increased the urgency of developing Japan’s resistance to Communism and Japan’s ability to assume a responsible and secure position in the non-Communist Pacific community. In progressing to this end, the cooperation of other off-shore Pacific nations is highly important. The proposed Pacific Declaration would encourage Japan to align herself with the non-Communist nations since it would offer an early peace settlement
and would imply later acceptance of Japan as an equal participant in the Pacific community.

3. Australia and the Philippines have frequently expressed interest in a “Pacific Pact” which would set forth the mutual security interests of the nations in the area. It has been made clear that such a “pact” would go far to win their acceptance of a liberal Japanese peace treaty. The proposed Declaration would meet this desire and might therefore be expected to hasten the conclusion of a general peace settlement with Japan.

4. Participants in the Declaration would not include countries on the mainland of Asia and therefore the problems of a choice of membership produced by an “Asian Association” would not arise.

5. At the same time, since the Declaration would provide for consultation with other Pacific nations and members of the United Nations, nonparticipating countries in the area would not feel excluded from the benefits of the Declaration and would therefore not likely be antagonistic to its issuance.

6. The participation of Nationalist China would be inadvisable due to the policy of the neutralization of Formosa, the fact that the “Question of Formosa” is before the United Nations, the certain opposition of the UK and other UN members, and the provocative effect upon Communist China and the USSR.

7. The Declaration does not commit the United States to the defense of the countries participating. However, the United States already has commitments in Japan and the Philippines and the general area encompassed by the Declaration represents a primary defense interest of the United States. Consequently, adherence to such a Declaration by the United States would represent, even by implication, no extension of U.S. military commitments.

8. The psychological impact in Asia of a Pacific Declaration would be particularly important at the present time. It would tend to strengthen the non-Communist nations of Asia, to counteract the loss of prestige suffered through events in Korea, and to encourage resistance in Communist-controlled areas. The Declaration and events surrounding its inception would provide valuable opportunities for exploitation through all information media.

9. So long as Formosa is not included among the participants, the Declaration cannot be considered as provocative of further aggressive moves by Communist China or the Soviet Union. The Communist threat to Japan will exist in any case and it is unlikely that a Declaration would materially increase that threat.

10. The proposed Pacific Declaration could be expected to produce a salutary effect within the participating countries. In the case of Australia, the Declaration would respond to an often expressed desire for a Pacific Pact which the Australian Prime Minister and Foreign
Minister have stated is highly important to public opinion and to support of the government's foreign policies. The stability and prestige of the Philippine government would unquestionably be enhanced by such a Declaration. In the United States, the Declaration would probably be welcome as a constructive step in foreign policy toward the Far East and might be calculated to receive general support in Congress and in the country at large.

11. Since the Declaration would provide for consultations among the participants and among other Pacific nations and members of the United Nations, it might be desirable to establish flexible consultative machinery for this purpose. Such machinery might take the form, for example, of an Australian-New Zealand Military Mission in Washington and a U.S.-Philippine Defense Mission in Manila. Should Indonesia participate, its representatives might participate in a Mission to be established in Manila.

CONCLUSIONS

12. The United States should propose the issuance of a Declaration by Australia, New Zealand, the Philippines, the United States, and possibly Canada and Indonesia, along the general lines of the draft text attached. Consultations to this end should be initiated immediately with representatives of the countries named above and with the United Kingdom and other powers whose sympathetic approval is deemed of importance.

13. After general agreement on the advisability of issuing a Pacific Declaration has been reached among the participating governments, a meeting of the foreign ministers of the countries involved should be convened at the earliest possible date at a convenient place such as San Francisco or Honolulu.

14. Following discussions by the foreign ministers and agreement on a text, the Declaration should be publicly issued by the participating governments.

15. The United States should at the same time explore the possibilities of establishing flexible consultative machinery to facilitate consultations among the participating countries, and among other nations as provided for in the Declaration.

[Attachment]

PACIFIC DECLARATION ¹

The governments of the Commonwealth of Australia, the Dominion of New Zealand, the Republic of the Philippines, and the United

¹The text printed here is identical to that of a draft of December 7 with two exceptions. After the word "arms" in the second sentence, the phrase "against Japanese aggression" has been deleted. The word "Charter" has been inserted in the last sentence. (Lot 56D424)
States of America reaffirm their steadfast adherence to the purposes and principles of the United Nations and their dedication to the establishment and preservation of peace and security in the area of the Pacific Ocean. Recalling their historic community of interests and their recent partnership in arms, they declare:

1) their common aim is the satisfaction of the aspirations for freedom, independence and security of all Asian peoples;
2) their common determination is to support action by the United Nations to prevent and to repel aggression.

As steps directed toward the achievement of these common objectives, the four governments resolve:

1) to act to hasten the conclusion of a treaty of peace with Japan so that Japan may assume at an early date the responsibilities and obligations of a peaceful member of the Pacific community;
2) to consult together, with other nations of the Pacific area, and with members of the United Nations regarding measures which may be taken within the framework of the United Nations Charter to safeguard the freedom, independence, well being and security of the nations of the Pacific area.²

² In a memorandum of December 12 to Mr. Emmerson, Mr. FEARLEY stated:

"The idea of a Pacific Declaration seems a good one. However, its terms do not meet what Australia, N.Z. and the P.I. want as a condition of going ahead with a 'liberal' peace treaty, namely a formal US commitment to come to their aid if attacked. A declaration merely providing for consultation would not seem adequate to get them to agree to hasten the conclusion of the type of treaty we want. Also I cannot help but feel that the commitment to consult with 'other nations of the Pacific area' will be inadequate to prevent the Southeast Asia mainland countries from feeling discouraged at their exclusion. I personally believe we would be warranted in overlooking the latter factor and that the declaration would be a net gain (indeed essential to a multilateral treaty with Japan) if it contains a formal commitment of each party to come to the aid of the other.

"In respect to your conclusions, it is not clear whether a Japanese peace treaty is to await completion of all the procedural steps leading up to issuance of the declaration. This might be a long wait. Could we not just make the declaration a real one-for-all and all-for-one proposition and use it as an aid to get quick agreement on a treaty from those requiring such a declaration." (790.5/12-1250)

694.001/12-1250

The Secretary of State to the Secretary of Defense (Marshall)

TOP SECRET

[WASHINGTON,] December 13, 1950.

Dear Mr. Secretary: There is enclosed for your comment a memorandum setting forth the ideas of the Department of State on steps which should be taken with regard to Japan in view of the urgency of that situation.

In general the policies outlined in the attached memorandum are merely a further implementation of the policy approved by the President and contained in the joint memorandum of September 7, 1950,
signed by former Secretary Johnson and myself. However, there are four specific departures or additions upon which it is desired to receive the opinion of the Department of Defense. From the military point of view, are there any objections to: (1) seeking an early conclusion of a peace settlement with Japan without awaiting a favorable outcome of the situation in Korea? (2) discussing this peace settlement with assumption that the United States intends to commit substantial armed force to the defense of the island chain of which Japan forms part? (3) leaving the Ryukyu and Bonin Islands under Japanese sovereignty, subject to the provisions of the contemplated military security agreement which would presumably take special account of the position in Okinawa? (4) exploration at this time of a possible Pacific Pact along the lines outlined in paragraph 4 of the attached memorandum?

Subject to receiving the views of the Department of Defense, the Department of State contemplates recommending to the President that Mr. John Foster Dulles be appointed to head a Presidential Mission to Japan which would be expected to depart in the very near future and to which mission we consider that a representative of the Department of Defense should be attached. The enclosed memorandum would form the general terms of reference of the Mission. The Mission itself would have no authority to make any commitments on behalf of the United States.

Should you consider it helpful, Mr. Dulles is available to discuss the enclosed memorandum with you, the Joint Chiefs of Staff, or anyone you may wish to designate and he would welcome the opportunity to do so.

Sincerely yours,

DEAN ACHESON

[Enclosure]

TOP SECRET

[WASHINGTON,] December 13, 1950.

JAPAN

Recent developments in Asia, and particularly in Korea, indicate that the Soviet Union, the Chinese Communist regime and the North Korean regime are moving to dominate Asia; that they are prepared in this respect to use force and to risk general war, and that they have at least on the mainland, capabilities which the United Nations cannot

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1 In his letter of December 20 to General MacArthur, Mr. Dulles, after mentioning his planned trip to Japan, reviewed the substance of proposals (2) and (4) above, and stated his hope to have "... some fairly definite understanding at the Presidential level..." regarding them before his departure. In connection with the proposed Pacific Pact, he stated in part: "This would provide a framework within which a Japanese force, if developed, could have an international status rather than a purely national status and this might ease reconciliation with the present Japanese Constitution." (694.001/12-2850)
match. It is probable that a principal objective is Japan, the industrial and human resources of which nation have for many years been dominant in Asia, and which, if added to the resources now possessed by the Soviet Union would greatly alter the balance of power in the world to the disadvantage of the United States and its allies. Under these circumstances, the task of preventing Japan from falling under Communist influence is increasingly great, and it must be anticipated that there will be a reluctance on the part of Japan to commit itself to be part of the free world unless it can be assured that, from a military and economic standpoint, Japan can, through her own efforts and in combination with those of the United States, defend herself militarily and survive economically. To meet this situation, the following program is recommended:

1. A basic strategic decision on the part of the United States to commit substantial sea and air power to the defense of the island chain of which Japan forms part. It will probably be necessary, at some stage of the proceedings, to indicate to the Japanese with some precision our military intentions in this respect.

Subversive activities against the Communists on the mainland may be an essential ingredient in any extended defense of the islands against mainland attack. But this phase of the matter would not call for discussion with, or participation by, the Japanese.

2. A basic economic decision on the part of the United States to assure the economic survival of Japan without dependence upon Communist mainland areas. This would require access by Japan to food and raw materials and the foreign exchange wherewith to pay for them. To this end the United States should be prepared, if necessary, to put our military garrisons in Japan on a "pay-as-you-go" basis and, presumably, substantial orders for military equipment would be placed in Japan under MDAP. This again might have to be developed with some precision in the course of negotiations.

3. Assuming that the foregoing decisions are in the affirmative, then there should at once be sent to Japan a Presidential mission with authority to explore and ascertain, in cooperation with General MacArthur, the terms upon which Japan could be brought into the orbit of the free world. The mission should have authority to discuss and develop ad referendum arrangements with Japan which would include the following features:

(a) The quick restoration of peace to Japan either through a simplified peace treaty which would cover the points indicated in Annex A or a restoration of peace through joint action of the Congress and Diet, coupled with an exchange of notes and declarations of intention on the part of the Japanese which would cover most of the points dealt with in Annex A. Action taken in this respect should as far as possible be coordinated with similar action of friendly allies in the Japanese war.

(b) A bilateral agreement between the United States and Japanese Governments, dealing with the garrisoning of United States forces in and about Japan, including the Ryukyus and
Bonin Islands. The terms of this agreement would be along the lines of the draft agreement already discussed between the State and Defense Departments subject to such modifications acceptable to the United States Government as may be necessary to secure Japanese agreement. The possibility should be explored of making this agreement more acceptable to the Japanese and friendly Governments by bringing it within the purview of the United Nations Charter and of such United Nations machinery as envisioned in the Uniting for Peace Resolution.

4. A willingness on the part of the United States to make a mutual assistance arrangement among the Pacific island nations (Australia, New Zealand, the Philippines, Japan and the United States, and perhaps Indonesia) which would have the dual purpose of assuring combined action as between the members to resist aggression from without and also to resist attack by one of the members, e.g. Japan, if Japan should again become aggressive.

In order to expedite progress toward agreement among the above nations and to obtain the earliest and greatest psychological advantage, such a mutual assistance arrangement might be accomplished in two stages. The first would consist of a meeting of the foreign ministers of the countries concerned, to take place as soon as possible, at which a declaration of intent to make peace with Japan and to consult regarding mutual security interests would be issued. The second would consist of a more formal arrangement, to be announced simultaneously with the conclusion of peace with Japan, and to which Japan would be a party. The United States should agree to the above courses of action only on the express acceptance by the other nations concerned of the essential features of the Japanese treaty as outlined in Annex A.

5. If, and as soon as, the foregoing steps are approved, there should be confidential discussions to inform the representatives in Washington of friendly members of the FEC and similar discussions with members of the Foreign Relations and Foreign Affairs Committees.

6. From the standpoint of public relations, the departure of the mission to Japan should not be considered as anything abnormal or spectacular, but merely the normal development which was foreseen following the President’s statement of September, 1950. It was then taken for granted that following the exchange of views on Japanese Peace Treaty which have taken place at the United Nations, the negotiating representatives of our Government would go to Japan. Any public announcement should stress that the principal purpose of the mission would be to consult with General MacArthur and, through him, informally with Japanese leaders, but that formal negotiations with the Japanese Government are not contemplated. Therefore, a trip to Japan at this time would not of itself be evidence of any new decisions or any panicky mood.

Annex A

The United States proposes a treaty with Japan which would end the state of war, restore Japanese sovereignty and bring back Japan
as an equal in the society of free peoples. As regards specific matters, the treaty would reflect the principles indicated below:

1. Parties. Any or all nations at war with Japan which are willing to make peace on the basis proposed and as may be agreed.

2. United Nations. Membership by Japan would be contemplated.

3. Territory. (a) Independence of Korea would be recognized; (b) the Ryukyus and Bonin Islands would be returned to Japan provided that the provisions of any military security agreement apply to these territories in the same manner as to Japan proper; (c) the de facto status of Formosa would be recognized pending the development of such conditions of peace and stability in the area as make possible a de jure settlement.

4. Security. The Treaty would contemplate that, pending satisfactory alternative security arrangements such as U.S. assumption of effective responsibility, there would be continuing cooperative responsibility between Japanese facilities and U.S. and perhaps other forces for the maintenance of international peace and security in the Japan area, and that Japan’s participation would be exclusively of a character which would permit her to exercise the inherent right of individual and collective self-defense (see U.N. Charter, Art. 51). (This might be contained in a separate Treaty or agreement not necessarily signed by all the Treaty Powers.)

[Here follow numbered paragraphs 5, 6, and 7, identical to those in the seven-point memorandum of September 11.]

611.949/12-1350

The Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Special Assistant for Occupied Areas in the Office of the Secretary of the Army (Magruder)³

TOP SECRET [WASHINGTON,] December 13, 1950.

Dear Carter: The document entitled “Draft of Points to be Included in the Formulation of the Terms of the U.S.-Japanese Bilateral Agreement on Security”, forwarded under cover of your letter of October 30,² seems in its substantive provisions an accurate spelling out of the understanding earlier achieved among the State and Defense Departments and General MacArthur on the matters treated, as set forth particularly in General MacArthur’s supplementary “Memorandum on Concept Governing Security in Post-War Japan” of June 23, 1950,³ and in the joint State-Defense Memorandum for the President dated September 7, 1950.⁴

¹ Most of the changes in this letter and its enclosure from drafts of November 17 by Mr. Fearé are stylistic. (611.949/11-1750)
² For the letter and attachment, see p. 1336.
³ Ante, p. 1227.
⁴ Ante, p. 1283.
It seems to us however, that certain portions of the document may be unnecessarily peremptory and demanding in tone, and consequently not best calculated to promote that attitude of friendly cooperation between the United States and Japan which will be essential to the successful implementation of the agreement and the hoped for enduring association of Japan with the free world. Preparation of a draft conducive to this purpose will be difficult at best, due to the sweeping nature of the military rights which it has been decided that the United States should seek in post-treaty Japan. It is nevertheless hoped that through a re-phrasing of the draft agreement, designed to transform it into a mutually desired undertaking between equals, resting as much on common interest and good faith as on legally binding rights and obligations, the document’s immediate and long-range acceptability to the Japanese can be significantly increased. The last sentence of your covering letter suggests that you also believe that revisions of this nature will be required.

The attached memorandum gives specific suggestions made by responsible officers in the State Department.

Sincerely,

DEAN RUSK

[Attachment]

MEMORANDUM

Page 1, second paragraph—The statement that “both Governments have agreed in the Treaty of Peace that security forces of the United States shall remain in the Japan area for this purpose until Japan possesses the means to discharge this responsibility alone” goes farther than the language of the security chapter of the Department’s treaty draft.\(^5\) One of the “alternative security arrangements” envisaged in Article 10 of that draft whose effectuation would permit the withdrawal of the United States forces might be the creation of adequate Japanese defense forces, in conjunction with necessary United Nations or other guarantees. It would seem advisable, however, to suggest this as the principal possibility, for the same reasons that it has been thought inadvisable to do so in the peace treaty. Even though no Allied nation except the United States might be called on to sign the agreement, a provision therein specifically envisaging the reactivation of Japanese defense forces would make it more difficult for some Allies to sign the peace treaty, since it would then be clear that in so doing they would be approving the establishment of Japanese defense forces. It is accordingly believed that the paragraph should follow more closely the language of Article 10 of the treaty draft.

\(^5\) Of September 11, p. 1297.
Page 1, third paragraph—It is suggested that the latter part of this paragraph, referring to the further purpose of the U.S. security forces to assist in the maintenance of internal law and order upon the invitation of the Japanese Government, be omitted. It would seem that the obligation of Japan to develop and maintain internal security forces adequate to meet all foreseeable needs should be clear cut, and that the Japanese should not gain the impression that they may freely call on the U.S. security forces for internal police action.

Partly in light of the above comments a Preamble along the following lines is suggested for consideration:

"Whereas conditions of international peace and security to which the peoples of the world have so long aspired have not been achieved in the postwar period;

Whereas the Governments of the United States of America and of Japan are desirous of cooperating to establish and maintain in the Japan area conditions conducive to international peace and security in accordance with the principles of the Charter of the United Nations;

Whereas the Government of Japan has accordingly requested in the Treaty of Peace just concluded that the Government of the United States of America provide armed forces on behalf of the Treaty Powers, the Government of Japan undertaking on its part to furnish assistance and facilities to these forces;

Whereas it is desired that this Agreement shall be fulfilled in a spirit of good neighbourliness between the Government of the United States of America and the Government of Japan, and that the details of its practical application shall be arranged by friendly cooperation;

Therefore the Governments of the United States of America and of Japan agree upon the following provisions governing the stationing of United States security forces in Japan:"

Page 2, first paragraph—It is suggested that the words "until the withdrawal from Japan of United States security forces or" be deleted. It seems preferable to avoid the impression that the U.S. forces may be withdrawn without the adoption of some overall, superseding security arrangement to ensure the security of the Philippines, Australia and New Zealand and other smaller Pacific nations from a possible resurgence of Japanese aggression, as well as to ensure Japanese security. The best procedure would seem to be to follow the language of Article 10 of the treaty draft, as follows:

"... and will remain in effect until the coming into force of such United Nations arrangements or such alternative security arrangements as in the opinion of the United States will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan area."

Page 2, second paragraph—It is suggested that this rather sweeping provision be omitted and reliance placed instead on subsequent more

* Omission in the source text.
precisely phrased portions of the agreement which should ensure United States requirements without causing the Japanese the concern and alarm which this paragraph might occasion. If it is decided that the paragraph must be retained in some form it is suggested that it indicate the reason why the entire area of Japan is required for maneuver, as follows:

"The Governments of the United States and of Japan agree that, in consequence of the accelerated speed and power of modern war, the entire land mass of the Japan area shall be regarded as a potential area of defensive disposition and maneuver of military forces."

Page 2, third paragraph—It is believed that in the first, as in the third, sentence of this paragraph the procedure of consultation with the Japanese Government should be provided, in accordance with Article 8 of the treaty draft, rather than mere notice to that Government of the desired dispositions. The same suggestion is made in regard to the third paragraph on page 3.

Page 3, first, incomplete paragraph—It would seem advisable specifically to provide here and in the fifth line of the second paragraph on page 4 that the consultations preceding major changes of a permanent nature in the disposition of the security forces during peacetime shall be between the United States Ambassador to Japan and the Foreign Minister.

Page 4, first paragraph—The Department of State of course has no objection to the continued use by American combat forces of installations now occupied by such forces, if those installations best meet U.S. military needs, but desires that the facilities retained be located to the largest possible extent out of direct contact with the Japanese people, and that every effort be made to reduce to a minimum the intrusion of our forces in Japanese normal life.

It is assumed that the provision in the latter part of this paragraph that all facilities or areas required by the security forces shall remain under the "exclusive control" of those forces is to be interpreted in the light of sections 4, 6 and other subsequent sections of the draft. It would seem advisable to avoid the use of the phrase "exclusive control" and to rely on these subsequent sections to indicate exactly what the extent of the controls is to be.

Page 4, second to last line—Presumably the "other assistance" referred to might include labor services. It is not clear whether it might also include military service, and, if so, of what types. The question of whether payment should be made for equipment, supplies and other assistance provided by Japan in the event of hostilities or imminently threatened hostilities will, it is assumed, be dealt with in the studies mentioned in section 16, at the top of page 14.
Page 5, first paragraph.—It is noted that no provision is made in this paragraph for payment of compensation to owners of private property when such property is condemned or expropriated within defense areas or installations. Provision for payment of compensation by the United States in such circumstances is made in the agreements with Great Britain for the lease of bases in Newfoundland and the Caribbean, and in the Philippines Base Agreement.

Page 8, second paragraph.—The Department has no objection in principle to the exercise of jurisdiction in the manner indicated. It believes that the drafting of the section can be improved in some respects, however.

Page 12, third paragraph.—This paragraph is considered unnecessary. The only Allied documents binding on Japan after the coming into force of the peace treaty will be the treaty itself.

Page 12, fourth paragraph.—The concept presented in this paragraph, that the Japanese should be forbidden to establish armed forces without the consent of the United States, whose approval would also be required in determinations of the strength, type, composition and armament of such forces, has been discussed on various occasions but has not to my knowledge been anticipated in earlier papers.

The advantages of the proposal, of course, are that it would enable the U.S. to ensure that reactivated Japanese armed forces were well adapted to Japan's special defense problems but not for offensive purposes, and that Allied countries, while probably desiring to share the controls with the U.S., would doubtless welcome supervision over Japanese rearmament. The disadvantages are that the provision would point up the prospect of Japanese rearmament and would impair the underlying principle of the Department's treaty draft, namely, that the settlement should restore Japan to fully sovereign status with a minimum of special restrictions and disabilities. In view of Japan's straitened economic position and the influence which the United States may expect to continue to exert in Japan after the treaty, it seems probable that the desired supervision could be exercised without the right being stipulated in the bilateral agreement. A provision in the agreement might cease to be effective, moreover, just when it might be considered most important when our forces are withdrawn—unless the restrictions were continued as a feature of a general Pacific security arrangement to which Japan was a party. The Department wishes to study the proposal further before stating its position on it.

*For text of the Protocol concerning the defense of Newfoundland, signed at London March 27, 1941, see EAS No. 235 or 55 Stat. (pt. 2) 1539. Text of the Arrangement relating to naval and air bases, effected by exchange of notes at Washington, September 2, 1940, is printed in EAS No. 181 and in 54 Stat. (pt. 2) 2405. For text of the Agreement regarding leased naval and air bases, and exchanges of notes, signed at London March 27, 1941, see EAS No. 235, or 55 Stat. (pt. 2) 1560.*
Page 13, second full paragraph—It is suggested that this paragraph, which might be alarming to our Allies and whose purpose would seem to be ensured by the previous paragraph, be deleted.

It is believed that the agreement should contain provisions, now absent, obligating the U.S. to pay just compensation for damage to private property or for injury to Japanese nationals caused by the U.S. forces or individual members thereof incident to non-combat activities.

As a matter of general policy it is believed that the terms of the agreement should be based as far as possible on comparable agreements with Britain, France and other major Allies, with citations to these agreements rather than to those concluded with smaller countries such as the Philippines or Liberia having a special, formerly dependent relationship to the United States.

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Editorial Note


File 661.9424 for 1950 contains documents regarding the United States attitude towards repatriation in so far as Japanese prisoners are concerned.

For pertinent documentation (and further references) on United States policy toward the question of repatriation in general, see volume I, pages 509 ff.

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694.001/12-1950

Memorandum of Conversation, by the Consultant to the Secretary (Dulles)

CONFIDENTIAL

[WASHINGTON,] December 19, 1950.

Subject: Japanese Peace Treaty

Participants: Chinese Ambassador

Mr. Dulles

Dr. Koo stated that his government was in general accord with the principles set out in the 7-point memorandum ¹ previously given him. With respect to Formosa, it was his understanding that even though

¹ Of September 11, p. 1296.
the future disposition of Formosa was left unsettled Japan would, by
the treaty, renounce its own title thereto. With respect to reparation
his government was prepared to make no reparation claims provided
all others did the same. His government was in accord with the secu-

Dr. Koo inquired whether any reply had been made to the inquiries
which Mr. Malik had made of me. I said that a reply had been drafted
and would probably be transmitted to Mr. Malik within a day or two
and then would be made public.\textsuperscript{2} I said that the contemplated reply
did not enlarge upon the original memorandum.

Dr. Koo inquired whether any of the other conversations had
brought up the question of Chinese communist participation. I said
that so far no other country had raised this as a major point, but I
had no doubt that before we got along much further it would be raised.
I asked what he thought the attitude of Japan would be toward dealing
exclusively with the national government. He said he thought they
would be willing to do so because there were increasingly good rela-
tions, particularly with trade between Formosa and Japan. However,
he said that there were considerable number of Japanese traders who
would put pressure on to have their government recognize and deal
with the communist government. He thought, however, this pressure
would be less today than heretofore because of the fact that the gov-

\textsuperscript{2}See footnote 3 to Colonel Babcock's memorandum of the Dulles-Malik
conversation held November 20, p. 1353.

611.94/12-2050

\textit{The Special Assistant for Occupied Areas in the Office of the Secre-
tary of the Army (Magruder) to the Assistant Secretary of State
for Far Eastern Affairs (Rusk)}

\textbf{TOP SECRET} \hspace{1cm} \textbf{WASHINGTON, December 20, 1950.}

\textsc{Dear Dean:} I attach hereto Draft No. 3 of the United States-
Japan bilateral agreement which has been prepared to meet the rec-
ommendations contained in the memorandum accompanying your
letter to me of 15 December 1950.\textsuperscript{1}

I would appreciate your informing me whether or not, in your
opinion, this revised draft meets the views of the Department of State.

\textsuperscript{1}Apparent reference to Mr. Rusk's letter and memorandum of December 13,
p. 1867.
A copy of this draft has been sent to General MacArthur for comment. Consequently, it may have to be further revised in the light of his comments and as a result of information which may be obtained by the proposed Presidential Mission to Japan. As I stated in my letter to you of 30 October 1950, the final revision of this agreement will be forwarded for the formal approval of the Department of State.

In order that we may be sure that the drafts of the bilateral agreement and the Treaty of Peace are progressing in consonance with each other, I would appreciate it if you would send us at an early date a revision of State Department Draft No. 4 of the Treaty of Peace. Our comments on that document were given to Mr. Allison on 1 September 1950.

Sincerely,

CARTER B. MAGRUDER
Major General, GSC

Draft No. 3

[WASHINGTON,] 16 December, 1950.

UNITED STATES–JAPAN BILATERAL AGREEMENT ON SECURITY

[Here follows a table of contents.]

PREAMBLE

Recalling that Japan and the United States have this date entered into a Treaty of Peace reflective of the desire and freely given consent of their respective peoples and expressive of the conviction that security against aggression in the Japan area and elsewhere in Asia is a prerequisite to the maintenance of individual liberty, free institutions, stable economic relationships, and is otherwise essential to an achievement of the objectives of the Charter of the United Nations;

Considering that both governments have agreed in the Treaty of Peace that armed forces of the United States shall remain in the Japan area for this purpose until a superseding security arrangement acceptable to the United States is adopted in pursuance of Article 43 or other appropriate Articles of the Charter of the United Nations, or until other suitable arrangements are effected,

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2 In telegram C–5220 from Tokyo to the Department of the Army, December 28, General MacArthur stated: “Draft No. 3 of proposed bi-lateral agreement seems to me to be a great improvement and I believe it would be acceptable as a basis for discussion with the Japanese.” (MacArthur Archives, RG 5)
3 Ante, p. 1336.
4 Of August 18, not printed. (694.001/8–1850)
5 See Mr. Allison’s memorandum to the Secretary of September 4, p. 1290.
And having in mind that nothing in the aforementioned Treaty of Peace impairs, and that Article 51 of the Charter of the United Nations affirms, the inherent right of individual or collective self-defense,

The Japanese government and the United States government agree as follows:

CHAPTER I

Effective Date and Period of Application

1. The provisions of this agreement shall become effective simultaneously with the coming into force of the Treaty of Peace, and shall remain in effect until the coming into force of such United Nations arrangements or such alternative security arrangements as in the opinion of the United States government will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan area.

CHAPTER II

Right of Maneuver

2. The governments of the United States and of Japan agree that, in consequence of the accelerated speed and power of modern war, the entire land mass of the Japan area shall be regarded as a potential area of defensive disposition and maneuver of military forces in the event of hostilities or imminently threatened hostilities.

3. In the event of hostilities or imminently threatened hostilities, the Supreme Commander of all forces in Japan, designated in accordance with Article 19, infra, shall have the authority to use such land areas, installations and facilities in the Japan area and to make such strategic and tactical dispositions of military forces as he may deem necessary. In taking such action, the Supreme Commander shall consult with appropriate representatives of the Japanese government.

4. In locating the aforesaid areas for strategic and tactical disposition, the fullest consideration consistent with military necessity shall be given to the welfare, health and economic needs of the native peoples of Japan.

5. In the absence of hostilities or imminently threatened hostilities, security forces of the United States and those of other signatories of the Treaty of Peace contributing forces with the consent of the United States government, after agreement between the United States and the Japanese governments, shall have the right to use land and coastal areas of appropriate size and location for military exercises, for additional staging areas, bombing and gunnery ranges, and for such intermediate airfields as may be required for safe and efficient air opera-
tions. Operations in such areas shall be carried on with due regard and safeguards for the public safety.

CHAPTER III


6. Security forces shall customarily be garrisoned at installations under the control of the allied occupation forces at the termination of the occupation, and all such facilities or areas required by them shall remain under the control of the security forces.

7. Further assistance, including the use of additional land areas, installations or other facilities, as may be required in the absence of hostilities or imminently threatened hostilities by the security forces for garrison purposes, shall be provided by Japan as mutually agreed between the United States and Japanese governments.

8. Japanese real and personal property utilized from time to time by security forces shall, when no longer required, be returned to the Japanese government in good condition, subject to normal depreciation or ordinary wear and tear. In cases of damage to such property during the period of use, except for losses arising directly from hostilities, the United States government shall pay just and reasonable compensation, when accepted by claimants in full satisfaction and in final settlement, for claims, including claims of insured but excluding claims of subrogees, on account of damage to or loss or destruction of private property, or personal injury or death of inhabitants of Japan, when such damage, loss, destruction or injury is caused by the armed forces of the United States, or individual members thereof, including military or civilian employees thereof, or otherwise incident to non-combat activities of such forces; provided that no claim shall be considered unless presented within one year after the occurrence of the accident or incident out of which such claim arises.

CHAPTER IV

Further Description of Rights

9. Appreciative of similar undertakings by other free nations of the world for the purpose of promoting conditions of international security, Japan further accords to the United States such rights, power and authority within installations or defense areas as are necessary for the establishment, use, operation and defense thereof, or appropriate for the control thereof, and all the rights, power and authority within the limits of territorial waters and air space adjacent to, or in the vicinity of, installations or defense areas which are necessary to provide access to them, or appropriate for their control.

Such rights, power and authority shall include, inter alia, the right, power and authority;
(a) to construct (including dredging and filling), operate, maintain, utilize, occupy, garrison and control the installations or areas;
(b) to improve and deepen the harbors, channels, entrances and anchorages, and to construct or maintain necessary roads and bridges affording access to such installations or defense areas;
(c) to control (including the right to prohibit) in so far as may be required for the efficient operation and safety of installations or defense areas, and within the limits of military necessity, anchorages, moorings, landings, takeoffs, movements and operation of ships and waterborne craft, aircraft and other vehicles on water, in the air or on land comprising, or in the vicinity of, the installations or defense areas;
(d) to acquire such rights of way, and to construct thereon, as may be required for military purposes, wire and radio communications facilities, including submarine and subterranean cables, pipe lines and spur tracks from railroads;
(e) to construct, install, maintain, and employ in any installation or defense area any type of facilities, weapons, substance, device, vessel or vehicle on or under the ground, in the air or on or under the water that may be requisite or appropriate, including meteorological systems, aerial and water navigation lights, radio and radar apparatus and electronic devices, of any desired power, type of emission and frequency.

10. In the exercises of the above-mentioned rights, power and authority, the United States agrees that the powers granted to it will not be used unreasonably or in such a manner as to interfere with the necessary rights of navigation, aviation, communication, or land travel within the territories of Japan. In the practical application, outside installations and defense areas, of such rights, power and authority, there shall be, as the occasion requires, consultation between the two governments.

[Here follow numbered sections 11 and 12 repeating section 5 of the draft transmitted October 30 (see page 1339) except for the deletion of the two sentences regarding pilotage and toll charges.]

CHAPTER VI

Jurisdiction over Defense Areas, and Installations or Facilities

13. The United States shall have exclusive jurisdiction over all installations and defense areas in Japan utilized by United States security forces, and over the military and civilian personnel of the government of the United States and their families within the said installations or defense areas, as well as over all other persons within such areas except Japanese citizens. The government of the United States shall retain the right, however, to turn over to the Japanese authorities for trial and punishment any person, other than a citizen of the United States, committing an offense in such areas. The Japanese authorities shall turn over to the United States authorities for trial and punishment any of the United States military or civilian
personnel and their families who may commit offenses outside of such areas. The Japanese authorities and the United States authorities shall undertake adequate measures to insure the prosecution and punishment of all such offenders, it being understood that relevant evidence shall be furnished reciprocally to the two authorities.

CHAPTER VII

Limitations on United States Administration of Security Forces

The Japanese government and the United States government, for the purpose of promoting a sound administration of this agreement, adopt the following provisions from agreements concluded and successfully administered by other sovereign states.

[Here follow sections dealing with exemptions in favor of security personnel and incoming goods, postal facilities, sales and services, and United States reserve organizations.]

CHAPTER VIII

Collective Defense Measures

18. Any signatory to the Treaty of Peace may contribute forces for the protection of peace and security in the Japan area in accordance with criteria or arrangements heretofore followed and after agreement with the United States government, provided, however, that any establishment of forces by the Japanese government shall be for the aforementioned purpose and shall be consistent with the Charter of the United Nations, including Article 51 thereof which affirms the inherent right of individual or collective self-defense.

19. In the event of hostilities or imminently threatened hostilities in the Japan area prior to the adoption by the United Nations or otherwise of a security arrangement hereinbefore described, all allied or associated forces in Japan, the National Police Reserve, or any other Japanese forces which may be lawfully utilized by the Japanese government for the defense of Japan, shall be placed under the unified command of a Supreme Commander designated by the United States government after consultation with the governments committing forces to the defense of Japan.

20. Japanese nationals shall not engage in any form of combat operations outside the territories of Japan without the assent of the aforesaid Supreme Commander.

CHAPTER IX

Relationships with Third Powers

21. Japan shall not grant, without the prior consent of the United States, any bases or any rights, powers, or authority whatsoever, in or relating to bases or the right of garrison or of maneuver, to any third power.
CHAPTER X

Costs of Garrison

[It is contemplated that, at a later date, a provision will be inserted for the purpose of defining the relationship of the Japanese government to the matter of garrison costs incurred by the United States during the post-treaty period. Inclusion of this provision awaits completion of studies instituted pursuant to Presidential order.] *

*Brackets in source text.

694.001/12–2150

Memorandum of Conversation, by the Director of the Office of Northeast Asian Affairs (Allison)

SECRET

[WASHINGTON,] December 21, 1950.

Subject: Japanese Peace Treaty

Participants: Madame Pandit, Indian Ambassador
Mr. Vaidyanathan, Attaché, Indian Embassy
Mr. John Foster Dulles
Mr. John M. Allison

Madame Pandit called to give the initial reactions of the Indian Government to the United States memorandum on a Japanese peace treaty. Madame Pandit talked from a memorandum prepared by her Embassy, a copy of which she left, and it is attached.

The chief points on which there would be difficulties with India are, as might be expected, (1) security provisions, (2) territorial matters (i.e. Formosa), and (3) the desire of the Indian Government to include both the USSR and the Communist regime in China as Parties Principal in drafting a peace treaty with Japan. On most other points in the American memorandum, the Indian Government was in agreement; for example, it agrees that Japan should become a member of the United Nations, that Japan should adhere to multilateral treaties dealing with narcotics and fishing, and that Japanese trade relations could best be regulated by bilateral negotiations between the Japanese and the signatories to the peace treaty. India also agrees that no reparations should be taken from Japan from industrial facilities, but does raise the question of whether Japanese gold and bullion would be made available for reparations and also the possibility of making available Japanese assets in neutral countries and Siam.

With respect to the parties to be included in drafting a Japanese peace treaty, Mr. Dulles stated that it was because of the procedural problem raised by the desire of certain nations to include Communist China in any peace discussions that we had, up to the present, con-
ducted our negotiations through the diplomatic channel on a bilateral basis. He said that it might be found advisable to continue in this manner and that we might possibly end up with several identical, bilateral treaties which could be signed by any powers who so desired. Mr. Dulles made clear that the United States had no hard and fast ideas on this point and that it would appreciate suggestions from the Indian Government as to how this rather difficult problem might be met. With respect to voting procedure, which Madame Pandit raised, Mr. Dulles stated that it was hoped that sufficient agreement would be reached through diplomatic negotiation so that it would be possible for a conference, if there was one, to be able to proceed by agreement on a basis of unanimity, without having to worry too much about the traditional type of voting procedures. Mr. Dulles also pointed out that, in view of the changed situation since the United States had first prepared and distributed its memorandum on the Japanese peace treaty, it might be necessary to devise some more rapid method of procedure so that in the shortest possible time Japan could be brought into a state of peaceful relations with the rest of the world.

Madame Pandit made clear that India believes that Formosa and the Pescadores should be returned to China and that this means Communist China. Mr. Dulles said that it might be possible for the treaty merely to require renunciation by Japan of any claims to Formosa and the Pescadores, leaving open the final determination of the status of the islands in question. With regard to Sakhalin and the Kurile Islands, which India feels should be returned to the USSR in accordance with the Yalta Agreement, Mr. Dulles pointed out that he had told Mr. Malik, in discussing this point, that it had been the contention of the United States that, should the Soviet Union participate in a treaty with Japan and the other nations, such a treaty would confirm the rights of the Soviet Union in Sakhalin and the Kurile Islands, but that, should the Soviet Union not participate, the United States did not feel that it should require Japan to hand over those territories to a nation not adhering to the treaty. While India is agreeable, apparently, to the United States view, as stated in its memorandum, that the Ryukyu and Bonin Islands should be placed under UN trusteeship with the United States as administering power, nevertheless India feels that this question should be discussed at a peace conference and raises the possibility of these Islands’ being returned to Japan. It was agreed that any conference could discuss such matters.

India’s most serious concerns are with the problem of security, and in general it feels that Japan should be demilitarized and its security guaranteed by the UN. Madame Pandit expressed the personal opinion that such guarantees might not be worth a great deal under present circumstances, but that they might well have a good psychological effect. The Indians believe that any re-armament of Japan will provoke
the USSR and Communist China and would probably be opposed by Australia and the Philippines. India also feels that if bases are to be maintained in Japan for the defense of the islands, they will in practice constitute a military occupation and thus limit the free exercise of Japanese sovereignty; and it points out that the Japanese themselves do not seem to be keen on re-armament. Mr. Dulles agreed that the problem of security was one of the most difficult ones to solve and that, if possible, any re-armament by Japan should be for defensive purposes and should, if possible, be linked in some manner with a UN or regional security arrangement which would be for the benefit of general peace and order in the area. Mr. Dulles also suggested that it might be possible to link any creation of Japanese defense forces to the recent UN Resolution on Uniting for Peace\(^1\) which provides that members of the UN shall maintain certain forces for use in the common good. However, at present this Resolution applies only to members of the UN, and thought might be given to amending it at some time in the future to extend to non-members so that it might apply to Japan, should Japan not be admitted at an early date to the UN. Madame Pandit gave the impression of not personally being enthusiastic about her Government's views on security, and she seemed to recognize the merit in Mr. Dulles' arguments for a realistic approach to the matter which would make possible Japan's contribution to her own defense and yet prevent the excesses which might arise should there be a mere reconstitution of military strength in Japan not linked with some international arrangement.

As stated above, in other matters India generally agrees with the United States position, though apparently it would favor placing restrictions or prohibitions on Japanese industries directly engaged in the manufacture of armaments and war materials. It was agreed that further clarification was perhaps desired with regard to the disposition of Japanese external assets, as well as the disposal of Japanese gold and bullion; and Madame Pandit was informed that the United States Government would be willing to discuss these matters, although its preliminary view with respect particularly to Japanese gold and bullion was that it should be retained by the Japanese.

Madame Pandit made clear that these were India’s preliminary views which were being tentatively presented for United States consideration.

Mr. Dulles informed Madame Pandit that in view of the Korean situation it was believed useful to make some attempt to get again the viewpoint of the Japanese and that, for that purpose, he and Mr. Allison and perhaps some others might shortly make a trip to Japan. On the basis of the re-assessment of Japanese views after such a trip,

it would be possible for us to talk further with our friends about the course we should follow.

[Attachment]

INDIA'S PRELIMINARY VIEWS ON U.S. MEMORANDUM ON JAPANESE PEACE TREATY

I. Parties

1) India in favour of all members of the Far Eastern Commission, including U.S.S.R. and the Central People's Republic of China, being parties principal in drafting the preliminary peace treaty.

2) India supports Indonesia and Ceylon being admitted as parties principal to the peace treaty.

3) Regarding voting procedure, India is of the view that decisions on matters of substance should be taken by two-thirds majority and on procedure by a simple majority.

India would like the following points to be clarified by the U.S.:

a. What are the nations which would be invited as parties principal to prepare the draft treaty? Will New China be one of them? Will Indonesia and Ceylon be invited to the preliminary conference?

b. What are the views of the U.S.A. on voting procedure to be followed?

II. Membership of United Nations Organization

India will support Japanese membership to the U.N.

III. Disposition of Territories

1) India accepts the Cairo Declaration of December, 1943, that Formosa and the Pescadores should be returned to China. However, India feels that disposal of this matter should not await conclusion of a peace treaty.

2) Regarding the return of South Sakhalin and the Kurile Islands to the Soviet Union, India feels that since the Yalta Conference assigned these islands to the U.S.S.R., and since they are occupied at the present moment by the U.S.S.R., their future should not be reopened for discussion at the peace treaty.

3) Regarding the Ryukyus and Bonin Islands, where the U.S. has permanent military installations, India is apparently reconciled to the view that these islands would be held by the U.S. as military bases under U.N. trusteeship. However, India feels that the question of returning these islands to Japan should be decided at the peace treaty.

IV. Security

1) Re-armament of Japan will provoke U.S.S.R. and the New China and will be opposed by countries like Australia and the Philippines.

2) If bases are to be maintained in Japan for the defense of the Japanese islands they will practically constitute military occupation
of Japan and thus limit free exercise of sovereignty by Japan. It will also expose Japan to attack either as a preventive or defensive move by hostile powers.

3) The Japanese themselves do not seem to be keen on rearmament.
4) Except for internal security purposes for which India would support the maintenance of a small Japanese force, India feels Japan should be demilitarized and its security guaranteed by the U.N.

V. Political and Commercial Arrangements
1) India agrees to Japan's adherence to multilateral treaty dealing with narcotics and fishing.
2) India is against placing restriction or prohibition on Japanese industries other than those directly engaged in the manufacture of armaments and war materials.
3) It is the view of India that Japan should observe fully all international commercial, economic and financial conventions to which she accedes.
4) It is the view of India that trade relations subject to provisions of international conventions could best be regulated by bilateral negotiations between the Japanese and the signatories to the peace treaty.

VI. Claims
1) As India has voluntarily renounced any claim for reparations from Japan's internal industrial facilities, she will be in a position to go along with the U.S. proposals.
2) India would like the U.S. to clarify her position in regard to the disposition of Japan's external assets, including assets in neutral countries and Siam.
3) India would like to know whether the Japanese gold and bullion would be made available as reparations.

VII. Disputes
India agrees with the U.S. point of view.

Department of Defense Files
The Commander in Chief, Far East (MacArthur) to the Department of the Army

TOP SECRET
PERSONAL FOR JCS

C 52902. Reurnsg JCS 99159, Dec. 18, 1950. My views on questions 1 through 9 are as follows:

Footnote continued on following page.
(1) To the contrary, there is every reason why we should proceed at once to call a peace conference for Japan. We are fully committed to such action, the Japanese have earned the right to a treaty of peace, and our failure to proceed cannot but cause loss of faith in our moral integrity and leadership, not only in Japan but throughout Asia;

(2) No objection;

(3) Leaving the Ryukyus and Bonin Islands under Japan’s sovereignty is highly objectionable from a military point of view. The Japanese are fully resigned to the loss of these areas as a penalty for waging war. They form a vital segment of our lateral defense line and our control thereof is formally established and universally recognized. It would be unthinkable to surrender control and render our use of these areas, fortified at United States expense, subject to treaty arrangement under Japanese administration. It would but be to transform strength to weakness without the slightest moral or legal reason for so doing;

(4) No objection. (The foregoing views apply with equal force whether or not it is contemplated that the armed forces assigned to this theater will be materially increased);

(5) The United States should fulfill her moral and legal obligations vis-à-vis the restoration of Japanese peace whether acting alone or in consonance with other Pacific powers;

(6) It is impossible to predict what, if any, influence personalities might have upon Japan’s future course with respect to rearmament. It is patent clear, however, the degree of such influence on such matters by the United States or any of its representatives is dependent in large measure on the future course of American policy in Asia, and specifically the manner in which we meet the present crisis in Korea;

(7) I regard it as utterly impossible to formulate an acceptable peace treaty for Japan without restoring in full the sovereign power. The post-treaty retention of powers now vested in SCAP would render

Footnote continued from preceding page.

I tr are desired both on the basis (1) that there will be substantial increases of your armed forces and (2) that strength of your armed forces will not be materially increased.” The JCS had concluded:

“In addition to your opinions on foregoing, JCS further desire your opinions on all questions to which reply will, in all probability, be required in order to prepare position on the subject:

“Question 5. Should the United States unilaterally seek an early conclusion of a Peace Settlement with Japan without assurances of participation by friendly nations in Korea in spite of lack of their support?

“Question 6. Would Japan accept rearmament without your leadership?

“Question 7. If USSR is not a party to the treaty, in view of terms of armistice relative to Allied military controls over Japan through SCAP, could or should CINCPE retain functions of SCAP in order to counter possible USSR action seeking to assume those functions?

“Question 8. If Peace Treaty eventuates quickly, what long-term and short-term military measures would, in your opinion, be necessary in order to insure security of Japan against USSR?

“Question 9. Have you other comments, from the military point of view, on the general subject of a Japanese Peace Treaty now?” (Department of Defense Files)
such a treaty wholly unacceptable and invalid in the eyes of the Japanese;

(8) Under normal conditions, in the absence of a threat of imminent hostilities, an army of four divisions with other TO components, all at full strength plus marine and air detachments and comparable navy and air force complements, would suffice for the security of Japan. This should be a basic security force subject, however, to immed. reinforcement upon any increase in international tensions to the point that hostilities aimed at Japan become imminently threatened. In such eventuality, the extent of reinforcement should be guided by global studies of points of enemy concentration indicating the nature of the treat and the potentiality of possible enemy action. When any such threat of imminent hostilities has subsided, the security force should be reduced to its basic strength. Long-term military security of Japan should obviously be based on placing all possible reliance upon the United Nations acting in collaboration with the government and people of Japan in which Japan will be expected to develop and maintain such indigenous forces as will assure her internal security and assist in her defense;

(9) My views with respect to a Japanese peace treaty are fully on record and I know of nothing further that I could helpfully add at this time.

[MacArthur]

MacArthur Memorial Library and Archives: Record Group 5
Report by the Joint Strategic Survey Committee to the Joint Chiefs of Staff

TOP SECRET
JCS 2180/2

[WASHINGTON,] December 28, 1950.

UNITED STATES POLICY TOWARD JAPAN

References:  
a. J.C.S. 1380/90
b. J.C.S. 2180
c. J.C.S. 2180/1

THE PROBLEM

1. As a matter of priority to draft a reply to a memorandum by the Secretary of Defense, dated 15 December 1950 (Enclosure to J.C.S. 2180), in which the views and recommendations of the Joint Chiefs of Staff were requested on an attached letter from the Secretary of State, dated 13 December 1950 (Appendix to J.C.S. 2180), together with a Department of State memorandum dated 13 December 1950 (Annex to J.C.S. 2180), all dealing with the above subject.

1 JCS 1380/90 is the Department of Defense designator for the document which is printed in this compilation as an enclosure to the letter of September 7 from the Secretary of State to the Secretary of Defense, p. 1298.

2 Ante, p. 1353.
2. A memorandum by the Acting Executive Secretary, Office of the Secretary of Defense, dated 20 December 1950 (Enclosure to J.C.S. 2180/1), with Tabs “A” and “B” thereto (Appendices “A” and “B” to J.C.S. 2180/1), all dealing with a bilateral agreement referred to in paragraph 3(b) of the Department of State memorandum in Annex to J.C.S. 2180, was examined by the Joint Strategic Survey Committee in connection with its report.

3. In the preparation of its report the Committee also gave consideration to CINCFE’s Despatch C 52202 (CM IN 4736), dated 28 December 1950, and a memorandum by Major General Carter B. Magruder, USA, Special Assistant to the Secretary of Defense on Japanese peace treaty matters, both dealing with the above subject.

RECOMMENDATION

4. It is recommended that the memorandum in the Enclosure be forwarded forthwith to the Secretary of Defense.

[Enclosure]

DRAFT MEMORANDUM FOR THE SECRETARY OF DEFENSE

1. In accordance with the request contained in your memorandum, dated 15 December 1950, the Joint Chiefs of Staff have formulated the following views with regard to the terms of reference of a Presidential Mission to Japan as proposed by the Secretary of State.

2. On 8 September 1950 the President approved NSC 60/1,* which provided, among other things, that “United States should now proceed with preliminary negotiations for a Japanese Peace Treaty”. The Joint Chiefs of Staff note that the situation which faced the United States at that time was radically different from that now confronting us.

3. On 8 September 1950 only North Korean forces were engaged against the United Nations Forces in Korea. Although the United Nations Forces were within the Pusan beachhead, the projected operations of the United Nations Commander gave every indication of an early and complete military victory in Korea. The Chinese Communists had given no firm indication of entering the conflict, nor had the USSR indicated that it would sponsor intervention. The United States position in Asia, exclusive of China, generally appeared to have possibilities for a satisfactory solution, and there appeared to be sufficient confidence in the United States among the friendly Asian nations to overbalance any possible bad effects of our military weakness in Japan as well as our previous lack of military victories in Korea.

* J.C.S. 1380/90. [Footnote in the source text.]
4. On 8 September 1950 the position of the United States in Europe was not unsatisfactory. Although Soviet military strength was increasing, there were indications of improved solidarity and greater determination among the Western European nations. At that time no United States proposals for rearming Western Germany had been made.

5. During the past two and a half months the military position of the United States in the world in general and in the Far East in particular has radically altered for the worse. The United States has suffered especially serious reverses in Asia. The success of future United States military operations in Korea is now open to serious question. Communist aggression in Indochina is increasing. The United States is even on the defensive in the United Nations with regard to many features of its policy in Asia. The attitude of certain friendly nations on questions relative to Korea, China, Japan, and Formosa is now unfavorable to us, and any change in their position would require strong pressure on our part.

6. There are no United States combat forces in Japan available either for the enforcement of occupation controls or for opposing any possible military encroachment by the USSR into any part of Japan, nor does it appear probable that such forces will become available prior to resolution of the situation in Korea. Further, all major United States Navy and Air Force forces in the Far East are fully occupied in the military effort in Korea. In this connection, General MacArthur has made an urgent request that he receive substantial reinforcements of Army forces at once in order to provide reasonable safeguards against any sudden Soviet thrust at Japan while our forces are committed in Korea.† Japanese internal security forces, although presently maintaining law and order, are wholly inadequate to resist any possible military aggression by the USSR and may not even be sufficient effectively to provide for the internal security of Japan in the face of internal communist activities. Thus, Japan is, in effect, a military vacuum.

7. The Joint Chiefs of Staff, from the military point of view perceive but few possible advantages to the United States in the initiation of preliminary negotiations now for a Japanese peace treaty. All such advantages to the United States, however, appear to be speculative from the point of view of furthering United States security interests. From the Japanese point of view, however, such negotiations cannot be otherwise than beneficial for the Japanese people. Thus, it might be possible for the United States both to capitalize on this good will, and to cause Japan to be further oriented to the West. Further, it might be possible to obtain agreement to a favorable bilateral treaty.

† CINCUNC despatch to J.C.S., No. O 51559, dated 18 December 1950, CM IN 1671. On file in the J.C.S. Secretariat. [Footnote in the source text.]
Some propaganda benefits might accrue if, in spite of the military base rights which the United States would require in the post treaty period, the United States could be absolved of charges of imperialism in Japan. On the assumption that Japan will agree to a bilateral treaty with the United States, firm military planning might be undertaken at once with respect to long-term United States military measures in Japan. Further, preliminary negotiations for a Japanese peace treaty might set the stage for parallel action with respect to a peace treaty with Germany.

8. On the other hand, the Joint Chiefs of Staff perceive many grave disadvantages to the initiation of negotiations now for a Japanese peace treaty. Such negotiations would of necessity be initiated under circumstances of extreme weakness on the part of the United States in Japan, and with our inadequate military forces fully committed in Korea and elsewhere. In this situation, the United States would be expected to offer many military and other concessions to the Japanese which, under other circumstances, probably would not be necessary. In this connection it must be anticipated that further concessions by the United States would be expected at the time of final negotiations.

9. In view of the security conditions in Japan now and in the foreseeable future, it would appear to be essential to make provision for an increase in Japanese security prior to any negotiations. Although it is recognized that the proposed negotiations are only preliminary in character, once initiated these should lead to a treaty of peace within a reasonable time. Failure to conclude a treaty within a reasonable time after initiation of any negotiations could be used as evidence of bad faith against the United States and any possible benefits derived from the negotiations could thus be lost.

10. The Joint Chiefs of Staff, from the military point of view, feel strongly that it is unacceptable to initiate a chain of events which might lead to the independence of Japan prior to the resolution of the situation in Korea since there is a strong probability that this would deprive United States forces of the use of Japan as the major base of operations in the Korean war. It is impossible now to predict when or how the situation in Korea will be resolved. There is a lively possibility that the hostilities in Korea may extend to overt war between the United States and the Government of Communist China. Further, the risk of global war has alarmingly increased. The Joint Chiefs of Staff could not agree to the loss of Japan as a base for operations in a war against Communist China or in a global war. In view of these risks, even to Japan itself, and the danger of an unfavorable
outcome in the Korean war, peace treaty negotiations now appear most untimely.

11. The Joint Chiefs of Staff understand that certain terms of the United States proposals for a peace treaty with Japan are unacceptable to certain friendly nations now represented on the Far Eastern Commission. These nations are opposing important United States military and economic objectives with respect to Japan in spite of the fact that these objectives, from the United States military point of view, will be essential if Japan is to be denied to the USSR in the event of war. If, in spite of this, the United States should proceed unilaterally, there might be serious disunity among the Western nations. Furthermore, a “paper” peace treaty, with an unarmed Japan, leaves that nation in no position to guarantee that the obligations therein would be enforced by future Japanese Governments. In any event, without effective security force in Japan or the support of Western nations, the enjoyment of our rights could be jeopardized by subversive nationalistic or communist acts.

12. It is obvious that there would be considerable provocation to the USSR if it were faced with a prospect of the rearment of Western Germany concurrently with an overt program for the rearment of Japan. The Joint Chiefs of Staff consider that, from the point of view of the USSR, it would be greatly to that nation’s military advantage to block the creation of effective forces in Western Germany and in Japan. Further, the USSR might resort to global war before Japan could be overtly rearmed, particularly if United States forces had been withdrawn prior to such rearment.

13. The Joint Chiefs of Staff consider that the military interests of the United States would now best be served by steps which would lead to the increased capability of Japan to provide for its own security and defense at the earliest practicable date. They believe that such an effort on the part of Japan, in order to be effective, will require changes in the Japanese constitution. The Joint Chiefs of Staff feel it essential, therefore, that no negotiations for a peace treaty with Japan should be undertaken until such changes have been made.

14. Although not a matter of primary concern, it should be noted that a Peiping Government radio announcement on 1 December 1950 stated, among other things, that “The Chinese will never tolerate a unilateral Japanese Peace Treaty . . . excluding China and the Soviet Union.” It should be further noted that a similar statement was made by the USSR in its note to the Eastern Powers regarding the rearment of West Germany. There is considerable possibility that insistence by the United States at this time on the inclusion of essential military terms might lose us the support of our allies. In this connection, the
Joint Chiefs of Staff consider the military consequences of a war which might originate between the United States alone and Communist China, to be wholly unacceptable.

15. The Joint Chiefs of Staff consider that the objectives of the United States toward Japan should, among other things, include the following:

a. A Japan which is oriented to the West;
b. The denial of Japan to the USSR in peace and in war;
c. As a corollary to b above, a Japan capable of offering substantial strength to its security;
d. The availability of Japanese bases for United States military operations in event of war; and
e. The availability of the war potential of Japan to the United States.

16. The Joint Chiefs of Staff consider that almost all of the above objectives can be achieved without the conclusion of a treaty of peace with Japan and that certain of those objectives can be achieved, possibly covertly, only under the leadership of SCAP. Conversely, the Joint Chiefs of Staff have grave doubts that it would be feasible to attain these objectives through the medium of a peace treaty now, particularly in view of the fact that the support of friendly nations would probably not be forthcoming to accomplish those ends.

17. In connection with the above, an analogy can be drawn between the occupation of Japan under United States leadership of SCAP (Supreme Commander, Allied Powers) and that of Eastern Germany under the SCC (Soviet Control Commission). The Soviet Control Commission has, through overt and covert means, adjusted its controls over East Germany to further the objectives of the USSR, while at the same time providing to East Germany most of the benefits which would be expected to be derived from a peace treaty. East Germany has been granted a very large measure of ostensible autonomy; it has been clothed with certain outward forms of independence, particularly in the field of its diplomatic relations; it has made a number of international agreements partaking of the nature of treaties; it has raised powerful military forces; and it has made apparently satisfactory trade agreements with other nations acting in its own right. The Joint Chiefs of Staff consider that comparable measures could be taken in Japan without coercion, and to the satisfaction of the Japanese people (in view of the immediate threat to them of communist aggression) without unduly increasing the risk of general war, and while retaining for the United States its military base rights there.

18. In the light of all of the foregoing, the Joint Chiefs of Staff views with respect to the four specific questions posed to the Secretary
of Defense by the Secretary of State in the basic memorandum are as follows:

**Interrogatories:** From the military point of view, are there any objections to:

(1) Seeking an early conclusion of a peace settlement with Japan without awaiting a favorable outcome of the situation in Korea?

**Response:** The Joint Chiefs of Staff urge most strongly that the United States refrain from proceeding now with any negotiations with Japan leading to a peace treaty, and that any such negotiations await a resolution of the situation in Korea. In view of the precarious military situation of the United States in the Far East, and in view of the unpreparedness for global war of the Military forces of the United States, the Joint Chiefs of Staff consider that the foregoing recommendation should have overriding priority.

(2) Discussing this peace settlement with assumption that the United States intends to commit substantial armed force to the defense of the island chain of which Japan forms part?

**Response:** Whereas it is recognized that the security of the United States would be greatly assisted by measures which would provide for the security of our position in the Asian offshore island chain (as well as for the security of Western Europe), it is doubtful that the United States alone, in a global war, could provide an effective defense of that chain. Further, a commitment by the United States such as that proposed, would remove the incentive to the Japanese to provide adequately for their own security. The present risk of global war leads the Joint Chiefs of Staff to the conclusion that the United States cannot agree to entering into such a formal obligation to Japan as would make the security of that nation a military commitment of the United States. Therefore, the United States should not formally agree now or in the foreseeable future to committing substantial armed forces to the defense of the island chain of which Japan forms a part.

(3) Leaving the Ryukyu and Bonin Islands under Japanese sovereignty, subject to the provision of the contemplated military security agreement which would presumably take special account of the position in Okinawa?

**Response:** The Joint Chiefs of Staff strongly disagree to any relaxation of the terms of approved United States policy relating to these islands. The Joint Chiefs of Staff fail to perceive any reason for such a gratuitous concession. On the contrary, they consider that exclusive strategic control of those islands must be retained by the United States in order for us to be able to carry out our commitments, policies, and military plans in the Pacific in peace or war. In this connection, a military security agreement in perpetuity would be inconsistent with the concept of Japanese sovereignty. The Joint Chiefs of Staff, therefore, consider the proposed concession to be entirely unacceptable, and they firmly
adhere to the minimum requirements of the pertinent approved United States policy as stated in NSC 60/1 as follows:

"Its terms must secure to the United States exclusive strategic control of the Ryukyu Islands south of latitude 29° north, Marcus Island, and the Nanpo Shoto south of Sofu Gan."

(4) Exploration at this time of a possible Pacific Pact along the lines outlined in paragraph 4 of the attached memorandum?
Response: Inasmuch as such action would be directly related to peace treaty negotiations (as discussed in the above reference), the Joint Chiefs of Staff perceive serious military objection to the exploration at this time of a possible Pacific Pact either along the lines suggested or along any lines other than as the outgrowth of a series of effective regional pacts among neighboring states which have demonstrated their stability.

19. The Joint Chiefs of Staff reserve their comment on the Annex to the basic letter entitled "Japan", because they consider that the conduct of any negotiations with Japan on the subject of a peace treaty should be dictated by approved United States policy thereon as appearing in NSC 60/1.

20. In light of all the foregoing, the Joint Chiefs of Staff at this time also reserve comment on the memorandum from the Office of the Secretary of Defense dated 20 December 1950 and its appendices listing proposed points to be considered in connection with Draft Number 3 of a proposed bilateral agreement on security.³

³In JCS 2180/3, January 9, 1951, a note to the Joint Chiefs of Staff from Rear Adm. William G. Lator (ret.), Secretary to the Joint Chiefs, and Mr. L. K. Ladue of the Joint Secretariat, it is stated that the report in JCS 2180/2 was used as a basis of discussion by the Joint Chiefs in their meeting with State Department representatives (headed by Mr. Acheson) held on January 8, 1951. Documentation concerning this meeting is scheduled for publication in Foreign Relations, 1951, volume VI. (MacArthur Archives, RG 5)
that peace treaty must be negotiated without delay and that Foreign Office is presently drafting treaty for Cabinet approval. Draft will in due course be presented US Government when latter presents its draft. General concept of treaty in his opinion will be entirely acceptable US, former ideas concerning restrictions, controls, inspections, and similar restrictive measures having been abandoned. Two points concerning which US would probably not agree will be advance (1) some restriction of Jap shipping on ground Japan does not require shipping or shipbuilding facilities presently available to it (2) provision re division Jap gold bullion. In either event, however, Gascoigne felt these provisions would not be pushed too hard.

On question rearmament Japan, Gascoigne said chiefs of staff are agreed Japan’s rearmament inevitable and hopeful this can be undertaken earliest possible; it felt however, little can be done along these lines pending negotiation treaty of peace, as present regime of control precludes rearmament. When asked whether he felt Japan’s economy could stand strain of rearmament, Gascoigne replied British feel US must provide financial assistance and equipment for rearmament.

Gascoigne assured me consensus UK Government is that earliest possible peace treaty desirable and that it hopes measures will be taken as soon as practicable.

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*In telegram 3336 from London, December 19, Julius C. Holmes, Minister at London, reported on his conversation the previous day with Robert Hettie Scott, Assistant Secretary of State and Head of the South East Asia Department of the Foreign Office. Minister Holmes summarized the latter’s views in part as follows:

“3. Draft treaty such as that envisaged in Commonwealth discussions would necessarily be involved and entail considerable negotiation and ratification could not be expected before 1952. In view present crisis, this may be too late and Japan may be lost to West in meanwhile.

“4. Perhaps more practicable alternative therefore would be briefest sort of liberal, nonrestrictive treaty with Japan accomplishing little more than ending state of war and permitting Japan apply for entry UN and other international bodies. Such a treaty could be negotiated with relatively little delay and would have added advantage of being awkward for USSR to oppose. No objection to US and Japan making separate arrangements on security problems.” *(694.001/12-1950)*

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794.0221/12-2950

Memorandum by the Deputy Director of the Office of Northeast Asian Affairs (Johnson) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant)

TOP SECRET

[WASHINGTON,] December 29, 1950.

Subject: Partial “Pay-As-You-Go” Arrangement for Japan

This memorandum constitutes a proposed position for the Department of State regarding the “pay-as-you-go” arrangements for Japan put forward by the Department of the Army. There have been no
formal discussions of the various proposals with the Department of the Army which have been presented to us in a staff study dated December 4, 1950 and revised December 26, 1950,1 on which the following comments and observations are based.

Problem:

President Truman and General MacArthur having agreed at Wake Island that a partial “pay-as-you-go” arrangement should be instituted to cover the expenses of our forces in Japan beginning July 1, 1951; how should the burden of these expenses be divided as between the U.S. government and the Japanese government and how much appropriated funds should be provided to defray such expenses in Japan in U.S. fiscal year 1952?

Facts Bearing on the Problem:

1. “Pay-as-you-go” refers to any arrangement whereby the local currency expenses of U.S. forces in a foreign country are defrayed out of U.S. appropriated funds rather than from funds appropriated by the government of the foreign country. Dollars received by the foreign country may be an important item of receipt in its current balance of payments.

2. At the Wake Island conference General MacArthur suggested that “we pay our way in Japan for part of the cost of the troops in lieu of GARIOA funds” and the President directed the Department of the Army and the Department of State to “get together and work it out”.

3. Up to the present time the local expenses of U.S. forces in Japan have been borne by the Japanese government out of funds appropriated in the Japanese budget under the title Termination of War expenses. Expenditures under this account in the Japanese fiscal year 1949–50 amounted to ¥94.2 billion. The appropriation for the current Japanese fiscal year amounts to ¥109.5 billion and the proposed appropriation for the Japanese fiscal year 1951–52 is ¥102.5 billion. At 360 yen to the dollar, dollar equivalents are $261.94 million, $304.16 million and $280.47 million.

4. The Department of the Army’s estimate of the dollar deficit in the Japanese balance of payments for the U.S. fiscal year 1952 is approximately $140 million, provision for which is included in the Army Department’s GARIOA appropriation request. It will be noted that if the entire amount of the local expenses of U.S. forces in Japan, as projected in the Japanese budget for the Japanese fiscal year beginning April 1, 1951 were financed with U.S. dollars, Japanese current dollar receipts on this amount would be about $280.5 million or more.

1 Neither found in State Department files. A version of this study dated December 29 is filed under 794.0221/1-2551.
than twice the amount of the estimated dollar deficit in the Japanese balance of payments.

5. According to advices from the Army's Far East Command,² SCAP had previously decided that "the cost of all operations of FEC in Japan incident to any personnel increase over authorized strength for June 1950 shall be a charge against United States appropriated funds." The budget already submitted to the Japanese Diet provides ¥102.5 billion for Termination of War expenses, based on the authorized personnel for June 1950. On the basis of this decision the Department of Defense had included approximately $80 millions (equals ¥21.6 billion) to defray the expenses of maintaining personnel in Japan in excess of the June 1950 strength. Thus if planned personnel increases are realized, total yen expenses in Japan of the U.S. occupation forces would amount to about ¥124.1 billion (102.5 plus 21.6).

Recommendations:

1. Whatever arrangements are adopted should represent a real implementation of the "pay-as-you-go" decision, i.e. an arrangement which would substantially reduce the burden of occupation force expenditures on the Japanese people and under which the dollars received by Japan would vary in proportion to changes in the expenses incurred.

2. To give the appearance of equity, the "normal" occupation force expenses should be divided equally between the Japanese Government and the United States Government. This would involve an equal division of the ¥102.5 billion "Termination of War" expenses in the Japanese fiscal year 1951-52 budget since this figure is based on the authorized personnel strength for June 1950. Japan would receive under such an arrangement about $142.3 million which could be covered almost entirely by transfer from the Japan economic aid portion of the U.S. fiscal year 1952 GARIOA appropriation, or by new appropriations which to the extent utilized would permit a reversion of GARIOA funds to the U.S. Treasury.

3. Increased U.S. expenses in Japan resulting from increased personnel strength above the June 1950 levels should be paid for entirely with dollars in accordance with the SCAP decision referred under "Facts Bearing on the Problem", paragraph 5, out of the $80 million included in the U.S. military appropriations for this purpose.

4. During U.S. fiscal year 1952, the first year of "pay-as-you-go" expenditure from U.S. appropriations in Japan should be by way of periodic reimbursement to the Japanese Government for 50% of the expenses incurred by it out of the Termination of War account. All

²The Far East Command was a unified command under the Joint Chiefs of Staff for whom the Chief of Staff, U.S. Army, served as executive agent.
yen expenses incurred by Japan in excess of the amount provided in the “Termination of War” budget should be fully reimbursed with dollars. In succeeding years, when the division of expenses would presumably be negotiated under a bilateral agreement, U.S. funds should be expended directly (i.e. for the purchase of yen for specific expenditure objects) with the Japanese Government contributing its share either in the form of yen funds or goods and services.

Discussion:

1. A “partial” pay-as-you-go arrangement for Japan implies a sharing of military expenses between Japan and the United States. For such an arrangement to produce the desired psychological effect in Japan, the Japanese should feel that the sharing is equitable and represents a reduction in the burden of occupation expenses hitherto borne entirely by them. The Japanese should also, theoretically, feel that the expenses which are shared are in the mutual interest. This latter feeling is not automatically evoked merely by proposing a division of the expenses. The less of this feeling there is, the less likely are the Japanese to regard as equitable an arrangement which leaves them still carrying the larger proportion of the expenses and which produces a saving in the Japanese budget barely large enough to cover the expenses of the new police reserve. Moreover, a sharing arrangement which does not in fact share the cost of increased U.S. troops in Japan over the normal pre-Korea occupation force levels but puts this cost entirely on the Japanese is not likely to be regarded as anything but GARIOA under a different guise since the amount of dollars received is limited to the estimated amount of the dollar deficit.

The recommendations given above would provide in effect a 50–50 sharing of the occupation expenses associated with the normal, pre-Korean, troop strength levels. In addition, they would provide for 100% dollar funding of all increases in occupation force expenses above the authorized level for June 1950. If the expenses of maintaining the new Japanese police reserve (about Y30 billion) are added to occupation force expenses, the division of total expenses in Japan for security and defense would, according to these recommendations, be roughly half and half.

2. The proposal of the Army Department in its staff study dated December 26, 1950 would provide in the military appropriations for U.S. fiscal year 1952 a total of $137 million (¥49.3 billion) to finance U.S. procurement in Japan of all the items in a list of selected major commodities and services including coal, transportation, communications and certain contractual services. The Japanese Government, through the TOW account, would pay for labor, rental and maintenance of real estate and furnishings, fire loss, utilities and other services which, based on planned troop strength would total about
$220 million or ¥78.4 billion. If U.S. personnel in Japan remained at or fell below the June 1950 levels, U.S. expenses in Japan would be paid for in dollars from the military appropriations. Any dollar deficit remaining in the balance of payments would be financed from the GARIOA appropriation with any unexpended balance in this appropriation reverting to the U.S. Treasury. If U.S. personnel in Japan exceeded the June 1950 levels, the whole cost of the increase would be borne by the Japanese Government. Dollars received by Japan whether from pay-as-you-go or from GARIOA would be equal to the estimated dollar deficit in the Japanese balance of payments but no more. If troop strength remained at the June 1950 level, the U.S. would bear a little less than one-half ($137 million) of the total occupation force expenditures (¥102.5 billion or $280.5 million); but if troop strength increased to planned levels (a total of ¥127.7 billion or $354.7 million) the U.S. share of occupation force expenses in Japan would decline to only about 38%. At the same time, the yen expenses borne by the Japanese Government would amount to about ¥79 billion, a reduction of only about ¥23 billion from the budgeted figure for Japanese fiscal year 1951–52 which is more than offset by the estimated cost of the new police reserve.

3. Under the latest Army Department proposal the $80 million included in the military appropriations for fiscal year 1952 would be increased to $137 million for use as described above. The GARIOA economic aid appropriation of $140 million for Japan would be retained but only on the understanding that it would be utilized only to the extent that pay-as-you-go receipts by Japan fell below $140 million. A rider would be attached to the GARIOA appropriation permitting its use to finance pay-as-you-go obligations by transfer to the military appropriations. If the dollars required to implement pay-as-you-go in Japan are included in the regular military appropriations, it is believed that the Japan economic aid portion of the GARIOA appropriation request should be dropped. If the Defense Department is apprehensive that the military appropriation will not be forthcoming, the provision should be made, as approved by the Foreign Aid Steering Group, by an authorized transfer from GARIOA.

4. The items selected by CINCPFE to go into the total appropriation of $137 million are the items "most readily defended before Congress, most readily paid for on a small number of large amount vouchers, and which fluctuate the least with varying troop strength." It is believed that this method may have the disadvantage of calling attention in Japan to the non-essential but expensive character of the items which are left to Japan to finance. For this reason it is suggested that, as a temporary device during the first year of pay-as-you-go, dollar expenditure in Japan be on the basis of reimbursement to the Japanese
Government rather than direct expenditure. Reimbursement would, of course, have to be on the basis of vouchers showing the amount and character of the items being reimbursed, but this would permit an administrative selection of the items to be reimbursed which would 

(a) make the non-essential character of items financed by Japan easier to conceal and (b) make it easier to obtain a division of the expenses according to the formula set forth in recommendations 2 and 3. In the following year the selection of items to be financed by the U.S. and those to be left to the Japanese Government could be determined by negotiation.